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FIFTY-FIRST
ANNUAL REPORT
OF THE
PRESIDENT AND DIRECTORS
TO THE
STOCKHOLDERS
OF THE
Baltimore and Ohio Railroad Company,
FOR THE YEAR ENDED SEPTEMBER 30TH, 1877.

Baltimore:
THE SUN BOOK AND JOB PRINTING ESTABLISHMENT,
1877.

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Fifty-First Annual Report.

OFFICE OF THE
Baltimore and Ohio Railroad Company,
Baltimore, October 1, 1877.

The President and Directors submit to the Stockholders of the Baltimore and Ohio Railroad Company the following statement of its affairs for the fiscal year ended September 30th, 1877.

The reports of the Treasury, Transportation, Road and Machinery Departments, and the report of the General Manager of the Trans-Ohio Divisions, are appended :

THE REVENUES.

The Revenues of the Main Stem, including the Winchester and Potomac, Winchester and Strasburg, the Strasburg and Harrisonburg, the Washington County and the Metropolitan Branch roads, and the Washington City and Point Lookout Railroad have been.....		\$8,262,045 29
Of the Washington Branch.....		307,109 55
“ Parkersburg Branch.....		625,678 58
“ Central Ohio Division.....		761,524 88
“ Lake Erie Division..		698,065 14
“ Chicago Division.....		957,695 60
“ Wheeling, Pittsburgh and Baltimore (formerly the Hempfield) Railroad.....		42,933 65
“ Newark, Somerset and Straitsville Railroad....		164,200 81
“ Pittsburgh and Connellsville Railroad (Pittsburgh Division).....		1,389,606 58
Total.....		<u>\$13,208,860 08</u>
Showing a decrease, compared with 1876, of.....		1,822,375 65
And showing a decrease, compared with 1875, of.....		1,235,378 48

I.—OF THE MAIN STEM.

The assets and liabilities of the Company are shown in statement A of the Treasurer.

The earnings and working expenses are shown in statement B.

The expenses of working and keeping the roads and machinery in repair amounted to \$4,605,151.87, being 55 $\frac{7}{10}$ % per cent. upon the earnings, showing a decrease of 1 $\frac{5}{10}$ % of 1 per cent. compared with the previous year, and of 3.01 per cent. compared with 1875. The following analytic statement is given, in order to furnish particulars of expenses in comparison with the two preceding years :

MAIN STEM.

Statement of the Earnings and Working Expenses for the Fiscal Years 1875, 1876 and 1877, including the Winchester and Potomac, Winchester and Strasburg, the Strasburg and Harrisonburg, the Washington County, and the Metropolitan Branch Roads, and the Washington City and Point Lookout Railroad.

	1875.	1876.	1877.
EARNINGS.	\$10,514,178 97	\$9,632 361 06	\$8,262,045 29
EXPENSES.			
General Expenses.....	\$ 123,775 76	\$ 118,510 68	\$ 125,855 14
Losses by Accidents, &c.....	53,108 56	84,910 30	47,185 83
Expenses of Transportation.....	2,137,781 51	2 012 590 21	1,668,747 46
Repairs of Railway.....	1,234,209 83	943,743 19	808,369 21
Repairs of Water Stations.....	19,416 51	28,170 63	14,982 42
Repairs and Construction of Depots	124,031 93	81,286 48	80,048 84
Repairs of Bridges.....	116,984 71	116,713 33	114,109 85
Repairs of Telegraph Lines.....	21 225 26	15,516 16	16,097 79
Repairs of Stationary Machinery..	131,920 69	93,017 85	90,380 97
Watching Cuts.....	52,276 41	50,242 19	41 306 32
Watching Tunnels.....	4,005 10	2,960 25	3,388 23
Watching Bridges.....	23,456 73	23,972 47	24,149 20
Pumping Water	33,858 12	29,865 81	28,872 48
Repairs of Locomotives.....	629,086 81	518,421 28	496,172 89
Repairs of Passenger Cars.....	220,782 78	259,681 73	226,781 57
Repairs of Burden Cars	637,197 84	504,720 37	385,582 55
Cleaning Engines and Cars.....	132,562 84	110,197 34	91,187 31
Contingent Expenses of the Machinery Department.....	7,022 88	6,275 75	5,098 86
Fuel.. ..	423,717 18	377,778 18	312 334 25
Preparing Fuel and Filling Tenders	50 379 67	33,061 33	24,500 70
	\$6 176,801 12	\$5,411,635 53	\$4,605,151 87
Earnings more than Expenses.....	\$4,337,377 85	\$4,220,725 53	\$3,656,893 42
Working Expenses.	58.74 per ct.	56 18 per ct.	55.73 per ct.

It is shown that the earnings of the Main Stem and the Branches stated, in comparison with the fiscal year 1876, have decreased \$1,370,315.77, and the working expenses have decreased \$806,483.66, making a comparative decrease in the net profits of \$563,832.11.

The Sinking Fund, for the payment of the loan of the City of Baltimore, which was originally \$5,000,000, increased during the year \$109,542.90, making the payment in advance on account, and in reduction of that loan, which will mature in 1890, \$1,958,421.

The payments on account of the Sinking Funds for the redemption of the sterling loans due in 1895, 1902 and 1910, during the year amounted to \$417,500, which at \$4.84 per pound sterling, make £86,260.6..8.

The principles upon which the Sinking Funds of the Baltimore and Ohio Railroad Company are based will cause the entire indebtedness with which they are connected to be paid, by the period of the maturity of the respective loans, from the annual appropriations made for these funds, together with the interest accruing from their accumulations.

In accordance with the agreement with the City of Baltimore, the second annual payment, namely, \$40,000, of the principal of the bond for one million, given for the purchase of the interest of the city in the Pittsburgh and Connellsville Railroad Company, has been made, thus reducing this obligation to \$920,000.

Of the mortgage loan payable in 1880, \$120,500 have been anticipated, leaving \$579,500 to be paid. \$790,000 have been paid in anticipation of the loan redeemable in 1885, which was originally \$2,500,000, leaving the remainder of this loan, \$1,710,000.

Of the bonds for \$500,000, endorsed by the Baltimore and Ohio Railroad Company, under the contract of July 18, 1864, of the Northwestern Virginia Railroad Company, due in 1885,

\$360,000 have been anticipated, reducing the sum unpaid to \$140,000.

The Profit and Loss Account shows an increase for the past year of \$116,946.68. It will be seen by this account that the surplus fund, which represents invested capital derived from net earnings, and which is not represented by either stock or bonds, now amounts to \$36,139,312.56.

Semi-annual dividends of five per cent. upon the capital stock were paid on the first of November, 1876, and on the fifteenth of May, 1877, respectively.

It is shown by the report of the Transportation Department that the tonnage of through merchandise, East and West, has been 1,047,645, whilst in the preceding year it was 1,093,393 tons. For 1875 this traffic was 872,101 tons; for 1874, 752,256 tons; for 1873, 640,265 tons; for 1872, 557,609 tons; and for 1871, 435,207 tons. 641,702 barrels of flour, and 16,379,861 bushels of grain were brought to Baltimore during the fiscal year. Of this aggregate of grain, 2,500,600 bushels were wheat. The receipts of wheat for the preceding year by the Baltimore and Ohio were 620,300 bushels, showing an increase of 1,880,300 bushels. The receipts of corn for the fiscal year 1875 by the Baltimore and Ohio Railroad were 5,591,633 bushels; for 1876, 15,948,107 bushels, and for 1877, 13,290,714 bushels, showing a decrease of 2,657,393 bushels, compared with the preceding year, and an increase of 7,699,081 bushels compared with 1875.

The traffic in live stock has been 111,920 tons, showing an increase of 13,268 tons over the preceding year.

53,720 tons of lumber have been brought to Baltimore, which shows a decrease, compared with the previous year, of 11,518 tons.

The decrease in the transportation of through merchandise and of some descriptions of grain, arose chiefly from the fact that the rates during a portion of the year were so low, in conse-

quence of the action of competing lines, as to cause absolute losses, and during a portion of such period the Baltimore and Ohio Company declined to carry freights that were not only unremunerative, but which did not repay the actual expenses connected with the shipments.

The quantity of petroleum transported to Baltimore during the year was 714,993 barrels, showing a continuous increase in this important trade.

The passenger earnings exhibit a decrease from \$1,674,475.66 in the preceding year to \$1,364,804.38. This reduction was caused chiefly by the decrease of travel compared with that connected with the Centennial Exhibition, combined with the continued depression in general business.

The coal trade of the Main Stem shows an aggregate of 1,440,265 tons, which includes 370,839 tons for the Company's supply. Of this quantity, that transported for the public, delivered in Baltimore, is 995,132 tons, and delivered at local points upon the line, 74,294 tons. The continued depression in manufacturing and steamship interests has again injuriously affected the coal trade. In order to meet competition, and maintain this important traffic as far as practicable, the tariff was again reduced on the fourteenth day of June, 1877, twenty-five cents per ton. Notwithstanding, it will be seen that there was a further serious decrease of tonnage. Proper agreements as to rates with competing lines, and a revival of the general industries of the country, will doubtless favorably affect this trade. During the fiscal year of 1877, 1,138,103 tons of coke and coal were transported on the Pittsburgh Division, and 293,403 tons of coal on the Trans-Ohio Divisions. The aggregate of coal and coke thus transported, including all divisions, was 2,871,771 tons.

To meet the requirements of the increasing commerce in connection with the great steamships which are being attracted to Baltimore, an additional pier, numbered 31 and 32, has been

completed. It is 100 feet wide, with a warehouse 88 feet wide, and a platform on each side six feet wide. It is built upon piles placed in rows, five feet apart, from centre to centre, and is 722 feet long. Its roof and sides are of corrugated iron. A railroad track runs in the centre of the pier for its entire length, affording excellent facilities for receiving and delivering freight. About one-half of this pier has been arranged for a United States Bonded Warehouse, with the offices and appointments necessary to accommodate all the requirements of shippers, and to insure the comfort and convenience of passengers. The depth of water alongside is ample for vessels of the largest class, being 27 feet at mean tide. A road has been opened by the Company from Fort avenue to the pier, affording carriage and wagon ways without crossing at grade the tracks at Locust Point—thus removing the difficulties heretofore experienced in reaching the former European steamship piers. The cost of this pier has been \$108,095.71.

II.—OF THE WASHINGTON BRANCH.

The financial condition of the Washington Branch is shown by the statements of the Treasurer, D, E and F.

It will be seen by statement E that the earnings were \$307,-109.55, showing a decrease compared with the previous year of \$60,039.26, of \$39,708.02 compared with 1875, and of \$66,-213.76 compared with 1874. The expenditures charged amount to \$93,430.27, being for improvements and for repairs of railway, depots, water stations and bridges, and for pumping water.

During the year 470 tons of new rails and 30,973 cross-ties were used.

As stated in former reports "the system was adopted by which the earnings are equitably divided upon a basis requiring all the expenses connected with transportation, the repair and use of machinery, and of the shops and stations in Baltimore to be

paid by the Main Stem, the expenses of the Road Department alone being charged to this road."

The partial expenditures charged being deducted from the revenue stated, there remained the sum of \$213,679.28, a decrease of net earnings, compared with the preceding year, of \$48,135.48, of \$15,842.82 compared with 1875, and of \$33,609.67 compared with 1874.

The Board of Directors, at their meetings held on October 11, 1876, and April 11, 1877, respectively, upon consideration of the subject of the declaration of the usual semi-annual dividends on the stock of the Washington Branch Road, found it necessary to adopt the following resolution:

"Resolved, That it is inexpedient to declare a dividend on the stock of the Washington Branch Road in view of the continued claim of the State of Maryland for tax of twenty per cent. on the gross receipts for passengers from December 10, 1870, since which date the said tax has not been collected by the Company."

It was expected that the Legislature, at its last session, would adopt some equitable arrangement, by which the Company would be relieved from the payment to the State of Maryland of the one-fifth of the passenger fares earned on the Washington Branch, as a practically parallel and competing line—the Baltimore and Potomac Railroad—had been built under its authority with entire freedom from such imposition.

The Courts of final resort have not yet passed upon the question, explained in the last Annual Report, presented by the language of the Act of 1831. But whilst the legal question remains to be authoritatively settled, the Company's claim to relief from this burden is so clear and palpably equitable, that it is hoped the Legislature, at its next session, will make a fair adjustment of this and of all the differences between the Company and the State. The Company's claim against the State for moneys advanced by the Company to pay the interest in Lon-

don on the State's sterling loan, has not yet been paid. As stated in a previous report, both the Court of Appeals and the Supreme Court of the United States have settled the principle on which this claim is based. As to the Company's legal right to this money, it is put beyond cavil or question by the decision of those high tribunals, and assuredly the claim is a meritorious one. In time of civil war, the Company advanced its moneys to the State, to pay the obligations of the State held in London. The advances were made at the request of the State authorities, to accommodate the State and to aid the State in upholding its honor at times of urgent need and general financial pressure and peril. The Company by law was compelled to receive its earnings in the legal-tender currency, and the State was entitled, in the very language of its enactment, "to six per cent. and no more," on its preferred stock, payable out of such earnings. As this claim is both legal and equitable, and certainly most meritorious, the Company may reasonably expect that at no distant day the State will authorize its adjustment.

III.—OF THE PARKERSBURG BRANCH RAILROAD COMPANY.

Statement G of the Treasurer shows that the earnings of this road for the fiscal year were \$625,678.58 and the working expenses \$510,119.06, showing net \$115,559.52. The earnings were \$52,283.81 less than in the previous year, whilst the expenses decreased \$132,337.45, showing a net increase compared with the previous year of \$80,053.64.

1,274 tons of steel and iron rails were used on this road during the year.

The aggregate earnings, working expenses, and net results of the Main Stem, including the Winchester and Potomac, Winchester and Strasburg, the Strasburg and Harrisonburg, the Washington County and the Metropolitan Branch Roads, and the Washington City and Point Lookout Railroad; the Wash-

ington Branch and the Parkersburg Branch Railroads; of the Central Ohio, Lake Erie and Chicago Divisions; the Wheeling, Pittsburgh and Baltimore, and the Newark, Somerset and Straitsville Railroads, and the Pittsburgh Division for the fiscal year, were, viz:

	Earnings.	Expenses.	Net Earnings.
Main Stem, including the Winchester and Potomac, Winchester and Strasburg, the Strasburg and Harrisonburg, the Washington County and the Metropolitan Branch Roads, and the Washington City and Point Lookout Railroad.....	\$8,262,045 29	\$4,605,151 87	\$3,656,893 42
Washington Branch.....	307,109 55	93,430 27	213,679 28
Parkersburg Branch.....	625,678 58	510,119 06	115,559 52
Chicago Division.....	957,695 60	834,415 21	123,280 39
Central Ohio Division.....	761,524 88	612,237 37	149,287 51
Lake Erie Division.....	698,065 14	448,508 69	249,556 45
Wheeling, Pittsburgh and Baltimore Railroad.....	42,933 65	42,845 92	87 73
Newark, Somerset and Straitsville Railroad.....	164,200 81	113,573 48	50,627 33
Pittsburgh Division.....	1,389,606 58	965,773 00	423,833 58
	\$13,208,860 08	\$8,226,054 87	\$4,982,805 21

The net revenue of the Main Stem and Branches, including the Central Ohio, Lake Erie and Chicago Divisions, the Wheeling, Pittsburgh and Baltimore, the Newark, Somerset and Straitsville Railroads, and the Pittsburgh Division, was \$4,982,805.21.

The net earnings of the Parkersburg Branch Railroad Company and of the Chicago Division, and the excess over rentals of the net earnings of the Straitsville and Lake Erie Divisions, have been credited to the accounts for interest on advances made to those Companies respectively.

It is shown that the net earnings of the Central Ohio Division were \$149,287.51. Under the lease of the Central Ohio Railroad thirty-five per cent. of the gross earnings are paid annually to that Company. The working expenses, in consequence of the extremely low rates forced upon this Company by

competing lines, were 80.39 per cent. The loss on this Division for the year, under the agreement, was \$117,246.20, which has been charged in the Profit and Loss account.

The aggregate working expenses of the Main Stem with all branches and divisions were 62 27 per cent. of the whole gross revenues, being 1.66 per cent. less than the preceding year.

During the year, 267,108 new cross-ties and 5,053 tons of steel and iron rails were used for repairs on the Main Stem. The iron rails used were made by the Company at its rolling mill at Cumberland, of the best material, and are of superior quality. 606 miles of track are now laid with steel rails. The increased cost of the large quantity of steel thus used in substitution for iron rails has been charged to the Repair account. The economy and advantage of the substitution of steel for iron rails so generally upon the line continue to be shown by the important reduction—which is mainly due to this change—stated by the Road Department in the cost of the “Repairs of Railway,” of \$135,373.98.

THE PITTSBURGH AND CONNELLSVILLE RAILROAD.

The advance realized in 1876 on the cost of the Turtle Creek and Second Mortgage Bonds of the Pittsburgh and Connellsville Railroad Company, which had been purchased and were owned by the Baltimore and Ohio Company, is still withheld from the credit of the Profit and Loss account. It is deemed judicious to wait, before such entry, for the further development of the business of the Pittsburgh and Connellsville Road, and until net results shall be shown to meet fully the interest on its entire mortgage debt.

The earnings for the year ended September 30, 1877, were \$1,389,606.58
The working expenses for the same period were..... 965,773.00

Being 69.50 per cent. —————

And showing the net earnings for the year.....\$ 423,833.58

The increase in the ratio of working expenses has been 1.44 per cent. as compared with the preceding year.

The net earnings of this road under the continued depressed condition of business indicate that, whilst its traffic will be of much value to the Main Stem and to the City of Baltimore, at no distant day it will cease to require financial aid from this Company.

THE BALTIMORE, PITTSBURGH AND CHICAGO RAILWAY.

It was first designed that this road should be extended from the terminus of the Pittsburgh and Connellsville Railroad at Pittsburgh to Chicago. The expensiveness of a portion of the route, combined with difficulties that were interposed as to the connection at and through Pittsburgh, caused this plan to be changed so that the Main Stem of the Baltimore and Ohio Road was used to Benwood, and thence by the bridge over the Ohio river, through Bellaire to Newark, on the Central Ohio division, thence by the Lake Erie division, from Newark to Chicago Junction, 88 miles, and thence an air line of 263 miles was built directly to Chicago. As the original name, therefore, did not properly represent the line finally adopted, it has been changed, under the laws of the respective States, and the companies are now known as the Baltimore and Ohio and Chicago Railroad Company (Ohio and Indiana), being a consolidated corporation under the laws of those states, and the Baltimore and Ohio and Chicago Railroad Company (Illinois), representing that portion of the line which is in the latter State.

To these lines the Baltimore and Ohio Railroad Company is a subscriber for 30,069 shares of stock. A mortgage has been executed on the entire line for £1,600,000, bearing six per cent. interest. The Baltimore and Ohio Railroad Company issued its Bonds for £1,600,000 sterling, bearing five per cent. interest, and placed the said £1,600,000 six per cent. Bonds and 28,900 shares

of the stock stated with Messrs. Egisto P. Fabbri, William F. Burns and Robert Garrett, Trustees, as security therefor. This Loan has been negotiated with Messrs. J. S. Morgan & Co., of London, and the proceeds placed to the credit of the Baltimore and Ohio and Chicago Railroad Companies, on account of the cash advances made to those Companies by the Baltimore and Ohio Railroad Company for the construction of that line. The changes to conform with these transactions have been made in Table A, showing the Assets and Liabilities of the Company.

The principal of these bonds has been made payable fifty years after their date, namely, on the first of June, 1927, and the Sinking Fund for their redemption has been provided by the agreement to appropriate, on or before the fifteenth of May in each year, the annual sum of £7,500 sterling, commencing on the fifteenth day of May, 1878. This annual appropriation, together with the interest accruing from its accumulations, will pay the entire loan by the period of its maturity.

A copy of the deed, which embraces the form of bond and the agreements connected with this loan, is appended to this report.

The earnings of the Chicago Division for the fiscal year were...\$957,695.60
And the working expenses for the same period were..... 834,415.21

The surplus credited to the account of that company is.....\$123,280.39

The population and number of towns upon this division continue to increase. The line being new, it was necessary for the building up of its business that roads should be constructed by the counties from various points through the surrounding country. These are being built, leading to the new towns, which are becoming the centres of the trade of the region through which the line passes.

The road has been substantially constructed upon the most direct line and with the lowest grades, so as to secure the largest

practicable economy in working. The disappointment in the results for the past year was caused mainly by the extremely low rates that prevailed during a large portion of the period, and which arose from the severe competition in the business of Chicago and the regions connected with that commercial centre. Fair and moderate rates for transportation, and the consequent normal and proper ratio of working expenses, would have produced, of course, very different results. With the increase of the rates which is being maintained as an absolute necessity for all the railroad interests of the country, improved and much more satisfactory results may be anticipated in the future.

THE MARIETTA AND CINCINNATI RAILROAD.

Notwithstanding the large and liberal aid extended and continued for many years by the Baltimore and Ohio Railroad Company to the Marietta and Cincinnati Railroad Company, its financial embarrassments have, during the past year, culminated in the necessity for the appointment of a Receiver for the protection of all interests connected with that important work. In the last Annual Report of the President and Directors to the stockholders, statements were made which are interesting in their bearing upon railway properties generally, and particularly in explaining the causes of the disappointments connected with the financial results of that Company. After furnishing the requisite data, it is stated in that report:

“ It will be seen that in 1876 the quantity of east bound through freight was *twelve times as great as in 1868* and the revenue only about *four times* as much, that the rate between Cincinnati and Parkersburg decreased year after year from \$3.17 per ton in 1868 to \$2.38 in 1869, to \$2.08 in 1871, \$1.64 in 1874, and finally to \$1.13 per ton in 1876. In like manner the rates of west bound freight, which in 1868 were \$2.70 per ton, in 1871 were \$2.18, in 1873 \$1.64, in 1875 \$1.42, until in 1876 they

reached the very low price of \$1.19 per ton. It will be observed that the total through business, which in 1868 was but 67,462 tons, with a revenue of \$196,586.01, or \$2.90 per ton, reached in 1876 the enormous quantity of 432,376 tons, while the revenue was \$491,608.78, or only \$1.14 per ton.

“ Had the rate of 1868 governed in 1876, the revenue from through traffic, instead of being \$491,608.78, would have been \$1,253,890.40, or \$762,281.62 more than was earned from this source during the year 1876.

“ When it is remembered that the amount of interest of the first, second and third mortgage bonds, in the aggregate is \$660,000, the vast importance of this statement will be understood. It will be observed, also, that at the rate of 1868, the revenue for 1876 from through freight would have exceeded by \$233,465.43 the total amount earned in 1876, for freight of all descriptions. It is true that the cost of material and labor, and generally the expense of operating railroads were reduced, but in very small proportion as compared with the enormous decrease in rates.

“ Special reference is made to 1868, for the reason that at that time a series of improvements were commenced, upon the completion of which it was expected to have the road in such condition as to command a large share of the through traffic, which was regarded as very desirable, and which was then transported by rival routes.

“ Previous to 1868, the company had confined its operations almost entirely to local trade. Its receipts were absorbed in operating expenses. The road had deteriorated until it was regarded as unsafe, and it was absolutely necessary to restore it. Travel was limited to residents near the line who were obliged to use it. Efforts to secure through travel or freight had almost ceased, as it was evident in the condition of the line that such attempts were useless. The equipment was worn out, many of the bridges and trestles were decayed, the tunnels had not been

arched, and the timbers were unsound. The line between Warren's and Scott's Landing was maintained at great expense, and because of the high trestles, irregular grades, and improper location, could never be made satisfactory. The main line terminated six miles from Cincinnati, and used the Cincinnati, Hamilton and Dayton road as its entrance to the city. The road was a part of a through line from the great West, *forming the shortest line to the Atlantic seaboard*. The through traffic was the great prize for which all the lines were contending, and the fair rates and the certainty of large and regular increase, as the country became more populous, justified earnest and persistent effort to secure it. At a heavy outlay the main line of the Marietta and Cincinnati road was practically rebuilt. Iron bridges at many points replaced wooden ones; new side tracks were added. The entire road was ballasted, grades reduced, cuts widened, tunnels arched, embankments extended, and retaining walls built. In addition to these costly improvements, water stations and coal stations, machine shops, new telegraph lines, and new station houses were erected, new and improved stationary machinery provided, and the road brought to a standard comparing favorably with that of the best Western lines.

"The worn out equipment was replaced by new locomotives and cars, and additional equipment purchased. The Cincinnati and Baltimore road was projected and completed in 1872 as a single track road. Another track was subsequently added, to accommodate the traffic of the Cincinnati and Springfield Company and the increasing business of the Marietta and Cincinnati Company. Finally the road was completed with four tracks upon a portion of the line, and at the large but necessary aggregate cost of \$1,702,819.15.

"The construction of this road was absolutely necessary, however, for the permanent value of the Marietta and Cincinnati

property, and without it a rival road would have controlled its large traffic.

"The Baltimore Short Line Railroad was finished in 1874. The length of the road is thirty miles, being a reduction of ten miles as compared with the old route via Scott's Landing. It was built in first-class manner, with low grades, heavy masonry, iron bridges, and thoroughly ballasted. The cost, \$1,996,680.81, was large, but the advantages fully compensated for the outlay.

"Additional real estate was purchased in Cincinnati, new freight houses erected, and tracks laid to accommodate the large and constantly improving business. It will be seen that the aggregate expenditure for these improvements was very heavy, but it was then regarded as a wise policy, as it certainly would have proved if the tariff of through rates, or anything like it, which existed at the time they were undertaken, had been maintained."

The report then proceeds "to consider the causes which led to the fearful reduction in prices," and the absolute necessity forced upon that company, in order to maintain its position and business, of co-operating in meeting the rates forced upon the Baltimore and Ohio Company by the action of the Northern Trunk Lines.

The Baltimore and Ohio Company furnished a large portion of the means in cash to build the Cincinnati and Baltimore Railroad and the Baltimore Short Line road, as well as to supply additional cars and equipment generally, and to effect the great improvements that were made upon the line of the Marietta and Cincinnati Railroad. It received for these advances the notes of the Marietta and Cincinnati Railroad Company, secured by stock of the Cincinnati and Baltimore, and stock and bonds of the Baltimore Short Line Railways, and such other securities as that Company could furnish. It was expected that these securities could be sold, and that these advances by the Baltimore and Ohio Company would be repaid from the proceeds of such sales.

As it became evident that this could not be done except at great sacrifices on the part of the Marietta and Cincinnati Company, the Baltimore and Ohio Company, in December last, assented to a proposition of the Marietta and Cincinnati Railroad Company to purchase the following securities at the prices stated, namely :

\$692,350 Cincinnati and Baltimore Railway Company's stock, at par and accrued interest.

\$1,191,700 Baltimore Short Line Railway Company's stock, at par and accrued interest.

\$750,000 of First Mortgage Bonds of Baltimore Short Line Railway Company, at par and accrued interest; and

\$1,996,000 of Fourth Mortgage Bonds of the Marietta and Cincinnati Railroad Company at 75 per cent. and accrued interest.

It will be seen that these purchases were made at full and liberal rates.

The proceeds of these purchases were applied to the credit of the Marietta and Cincinnati Company, in reducing the amount of its notes held by this Company.

The line between the Parkersburg Branch and Cincinnati, connected by the bridge over the Ohio river, namely, the Baltimore Short Line, Marietta and Cincinnati, and Cincinnati and Baltimore roads, now forms a very effective route.

The continuously bad results which have followed the extremely low prices for the transportation of through freights, have plainly led to the disastrous financial condition of the Marietta and Cincinnati road, as they have done to many important lines of railway throughout the country.

The tariffs have recently been advanced to rates which will make comparatively much better results. The experience the past has so clearly demonstrated the necessity for the preservation of railway interests, and the interests of the public, of establishing reasonable rates, that it is hoped the good sense of railway managers generally will command such co-operation as to maintain permanently the tariffs at remunerative standards.

The successful management of the business of the Company requires the Board to express their appreciation of the efficient services of the officers and employees in all departments who faithfully performed their duties.

By order of the Board,

JOHN W. GARRETT,
President.

Treasurer's Annual Statements.

A.

STATEMENT OF THE ASSETS AND LIABILITIES OF THE

ASSETS.		
Cost of Road.....	\$23,520,819 92	
Second, Third and Fourth Tracks.....	5,948,847 30	
Rolling Power.....	12,116,258 46	
Real Estate.....	2,405,019 63	
Ohio River Bridges at Benwood and Parkersburg.....	2,383,069 19	
Metropolitan Branch Railroad.....	3,751,462 67	
30,069 Shares of Stock Baltimore and Ohio and Chicago Railroad Companies, of which 28,900 shares have been transferred to Trustees for Sterling Loan redeemable in 1927....		\$50,125,477 17
Bonds of the Baltimore and Ohio and Chicago Railroad Companies (gold). Transferred to Trustees for Sterling Loan redeemable in 1927.		1,503,450 00
Baltimore and Ohio and Chicago Railroad Companies.....		7,744,000 00
Stock of the Central Ohio Railroad Company, as re-organized.		3,216,501 58
Stock of the Pittsburgh and Connellsville Railroad Company.		424,822 88
Preferred Stock of the Parkersburg Branch Railroad Company.....		233,882 04
Stocks and Bonds, including those of Municipal and Railroad Corporations.....		5,680,684 94
Mortgage Bonds of the Marietta and Cincinnati Railroad Company, as re-organized.....		5,567,777 71
Stock of the Washington County Railroad Company.....		3,609,487 50
Stock and Debt of the Winchester and Strasburg Railroad Company.....		766,290 33
Stock of the Washington Branch.....		593,478 49
Sinking Fund for the Redemption of the Ground Rents on Camden Station.....		1,027,800 00
Stock of Valley Railroad Company of Virginia.....		101,191 66
Stock of the North German Lloyd Steamship Company.....		1,020,000 00
Stock of the Cincinnati and Baltimore Railway Company.....		420,000 00
Stock and Preferred Stock of Newark, Somerset and Straitsville Railroad Company.....		747,350 00
Sinking Fund Bonds of the Ohio and Mississippi Railway Company.....		257,002 50
Stock of the Mount Pleasant and Broad Ford Railway Company.....		40,000 00
Bonds of the Baltimore Short Line Railway Company.....		138,835 00
Stock of the Baltimore Short Line Railway Company.....		750,000 00
Baltimore, Washington and Alexandria Branch of the Washington City and Point Lookout Railroad.....		1,241,700 00
Outstanding Accounts and Loans, including Real Estate and Permanent Improvements on Central Ohio, Lake Erie, and Straitsville Divisions.....		20,000 00
Cash advanced to the Pittsburgh and Connellsville Railroad Company, for payment of its debt, construction and equipment.....		4,534,410 54
Cash advanced to the Parkersburg Branch Railroad Company.....		3,509,684 44
Uncollected Revenue.....		2,688,663 43
Materials on hand in the Machinery Department—		505,134 60
Main Stem.....	\$415,642 83	
Trans Ohio.....	76,781 90	
Road Department—Materials on hand—Main Stem.....		492,424 73
Trans Ohio.....	\$97,184 40	
	83,895 78	
Bills Receivable.....		181,080 18
TREASURER—Balance on hand in the Treasury, after payment of \$126,300.00 for interest on the Bonds of the Company, which matures October 1st, 1877.		1,479,214 13
		84,081 92
		\$98,704,425 77

Treasury Department, Baltimore and Ohio Railroad Company,

A.

BALTIMORE & OHIO RAILROAD COMPANY, SEPTEMBER 30, 1877.

LIABILITIES.		
Stock.....		\$13,144,200 00
Stock Scrip not funded.....		7,762 00
Preferred Stock, six per cent.....		4,599,578 72
Loan redeemable in 1880, with Coupons payable in January and July, originally.....	\$700,000 00	
Less payment on account.....	120,500 00	
		579,500 00
Loan redeemable in 1885, with Coupons payable in April and October, originally.....	\$2,500,000 00	
Less payment on account.....	790,000 00	
		1,710,000 00
City Loan, originally.....	\$5,000,000 00	
Less Sinking Fund in charge of the City of Baltimore.....	1,958,421 00	
		3,041,579 00
Sterling Loan redeemable in 1895. Coupons payable in March and September, £800,000, at \$4.84 gold.....	\$3,872 000 00	
Less for Sinking Fund, £149,802 9s. 7d. at \$4.84 gold.....	725,044 00	
		3,146,956 00
Sterling Loan redeemable in 1902. Coupons payable in March and September, £2,000,000, at \$4.84 gold.....	\$9,680,000 00	
Less for Sinking Fund, £169,968 11s. 11d. at \$4.84 gold.....	822,648 00	
		8,857,352 00
Sterling Loan redeemable in 1910. Coupons payable in May and November, £2,000,000, at \$4.84 gold.....	\$9,680,000 00	
Less for Sinking Fund, £68,904 19s. 2d. at \$4.84 gold.....	333,500 00	
		9,346,500 00
Sterling Five Per Cent. Loan, redeemable in 1927. Coupons payable in June and December. For account of Baltimore and Ohio and Chicago Railroad Companies—£1,600,000 at \$4.84 gold.....		7,744,000 00
Bond for purchase of the Interest of the City of Baltimore in the Pittsburgh and Connellsville Railroad Company.....	\$1,000,000 00	
Less Annual Payments on account.....	80,000 00	
		920,000 00
Bonds of the Northwestern Virginia Railroad Company, guaranteed by the Baltimore and Ohio Railroad Company, of which the payment, principal and interest, has been assumed by the Baltimore and Ohio Railroad Company under contract of July 18th, 1864, viz:		
Third Mortgage Endorsed Bonds, originally \$500,000, reduced to.....		140,000 00
Obligations maturing January 1, 1878, and Loans.....		1,555,689 06
Unclaimed Dues.....		88 756 29
Washington Branch Road.....		843,748 47
Sterling Debentures due in 1878, 1880 and 1881, £800,000, at \$4.84 gold.....		3 872,000 00
Bills Payable.....		2,967,491 67
Profit and Loss.....		36,139,312 56
		<u>\$98,704,425 77</u>

SEPTEMBER 30TH, 1877.

W. H. IJAMS, TREASURER.

B.

STATEMENT OF THE EARNINGS AND WORKING EXPENSES

Of the BALTIMORE AND OHIO RAILROAD COMPANY, including the Winchester and Potomac, Winchester and Strasburg, the Strasburg and Harrisonburg, the Washington County, and the Metropolitan Branch Roads, and the Washington City and Point Lookout Railroad, for the fiscal year ended September 30th, 1877.

Earnings of the Main Stem, including the Winchester and Potomac, the Winchester and Strasburg, the Strasburg and Harrisonburg, the Washington County, and the Metropolitan Branch Roads and the Washington City and Point Lookout Railroad.		\$8,262,045 29
EXPENSES.		
Expenses of Transportation.....	\$1,668,747 46	
General Expenses.....	125,855 14	
Losses by Accidents, &c.....	47,185 83	
Repairs of Railway.....	808,369 21	
Repairs of Locomotives... ..	496,172 89	
Repairs of Burden Cars.....	385 582 55	
Repairs of Passenger Cars.....	226,781 57	
Repairs of Stationary Machinery.....	90,380 97	
Repairs of Depots.....	80,048 84	
Repairs of Water Stations.....	14,982 42	
Repairs of Bridges.....	114,109 85	
Repairs of Telegraph.....	16 097 79	
Fuel.....	312,334 25	
Contingent Expenses of Machinery Department.	5,098 86	
Cleaning Engines and Cars.....	91,187 31	
Preparing Fuel and Filling Tenders.	24,500 70	
Pumping Water.....	28,872 48	
Watching Cuts.....	41,306 32	
Watching Tunnels.....	3,388 23	
Watching Bridges.....	24,149 20	
		4,605,151 87
		\$3,656,893 42

Working Expenses, 55.73 per cent.

Treasury Department, Baltimore and Ohio Railroad Company, }
 SEPTEMBER 30th, 1877.

W. H. IJAMS, TREASURER.

Dr. *Main Stem Statement of Profit and Loss, for the fiscal year ended September 30th, 1877.* Cr.

Dr.	1876. Nov. 1. 1877. May 15. Sept. 30.	To Dividend of five per cent. upon the Capital Stock..... " Dividend of five per cent. upon the Capital Stock..... " Interest and Taxes, less receipts of Interest..... " Ground Rents..... " Rent of Winchester and Potomac Railroad..... " Rent of Washington County Rail road..... " Rent of Winchester and Strasburg Railroad..... " Rent of Strasburg and Harrison- burg Railroad, viz: \$89,250 gold, amounting in currency to.... " Rent of Washington City & Point Lookout R. R., \$36,000 gold, amounting in currency to.... " Central Ohio Division..... " Balance carried down.....	1876. October 1. 1877. Sept. 30. " " "	By Balance at the credit of this ac- count..... " Increment from the City Loan Sinking Fund, being net amount gained during the year..... " House Rents received during the twelve months..... " Earnings for the twelve months ended this day..... " Less Expenses for the same period.....	Cr. \$36,022,365 88 109,542 90 13,495 47 3,656,893 42 \$39,802,297 67
			1877. October 1.	By Balance brought down.....	\$36,139,312 56

Treasury Department, Baltimore and Ohio Railroad Company, }
SEPTEMBER 30TH, 1877.

W. H. IJAMS, TREASURER.

TREASURER'S STATEMENT.

D.

STATEMENT OF THE ASSETS AND LIABILITIES

Of the WASHINGTON BRANCH ROAD, September 30th, 1877.

ASSETS.

Road from Washington Junction to Washington City, with Real Estate, &c.....	\$1,650,000 00
Amount due by the Baltimore and Ohio Railroad Company.....	843,748 47
	<hr/>
	\$2,493,748 47
	<hr/>

LIABILITIES.

Stock.....	\$1,650,000 00
Annuity (Principal).....	20,000 00
Profit and Loss.....	823,748 47
	<hr/>
	\$2,493,748 47

Treasury Department, Baltimore and Ohio Railroad Company, }

SEPTEMBER 30TH, 1877. }

W. H. IJAMS, TREASURER.

E.

STATEMENT OF THE EARNINGS OF THE WASHINGTON BRANCH
ROAD, AND EXPENDITURES OF THE ROAD DEPARTMENT, *for*
the Fiscal Year ended September 30th, 1877.

Earnings		\$307,109 55
EXPENDITURES OF THE ROAD DEPARTMENT.		
Repairs of Railway	\$73,611 13	
Repairs of Depots	5,952 67	
Repairs of Water Stations	956 50	
Pumping Water	5,382 72	
Repairs of Bridges	7,527 25	
		93,430 27
		<u>\$213,679 28</u>

Treasury Department, Baltimore and Ohio Railroad Company, {
SEPTEMBER 30TH, 1877. }

W. H. LJAMS, TREASURER.

TREASURER'S STATEMENT.

I.

Dr. *Washington Branch Road, Profit and Loss Account for the fiscal year ended September 30th, 1877.* Cr.

1877. Sept. 30.	To Taxes.....	1876. Oct. 1.	By Balance at the credit of this account this day.....	\$014,890 24
"	" Payment on account of Annuity.			
"	" Balance carried down.....	1877. Sept. 30.	" Earnings for the fiscal year ended Sept. 30th, 1877....\$307,169 55	
			" Less Expenditures of Road Department... 93,430 27	213,679 28
				\$828,569 52
		1877. Oct. 1.	By Balance brought down.....	\$823,748 47

Treasury Department, Baltimore and Ohio Railroad Company, }
SEPTEMBER 30th, 1877,

W. H. IJAMS, TREASURER.

G.

STATEMENT OF THE EARNINGS AND WORKING EXPENSES

*Of the PARKERSBURG BRANCH RAILROAD, for the Fiscal Year**ended September 30th, 1877.*

Earnings		\$625,678 58
EXPENSES.		
Expenses of Transportation.....	\$170,714 72	
Fuel.....	27,291 97	
Repairs and use of Locomotives.....	53,954 08	
Repairs and use of Burden Cars.....	42 123 46	
Repairs and use of Passenger Cars.....	6,681 03	
Repairs of Stationary Machinery.....	3,628 88	
Repairs of Depots.....	2,774 32	
Contingent Expenses of the Machinery Department.	121 68	
Cleaning Engines and Cars.....	7,658 90	
Preparing Fuel and Filling Tenders.....	2,516 18	
Repairs of Railway.....	162,986 98	
Repairs of Water Stations.....	1,581 42	
Repairs of Bridges.....	12,839 95	
Repairs of Telegraph.....	908 96	
Pumping Water.....	3,629 83	
General Expenses.....	1,558 57	
Taxes.....	7,743 92	
Losses by Accidents, &c.....	1,404 21	
		510,119 06
		<u>\$115,559 52</u>

Working Expenses, 81.53 per cent.

Treasury Department, Baltimore and Ohio Railroad Company, }
 SEPTEMBER 30TH, 1877. *}*

W. H. IJAMS, TREASURER.

Transportation Department Report.

OFFICE OF THE MASTER OF TRANSPORTATION,

BALTIMORE AND OHIO RAILROAD COMPANY,

Baltimore, 1st October, 1877.

JOHN W. GARRETT, Esq.,

President:

SIR—The following is a statement of the operations of this Department for the fiscal year ended 30th September, 1877.

THE REVENUES.

The usual statements, with the comparisons and summaries, are herewith presented:

A.

STATEMENT OF REVENUE.

Earned on the MAIN STEM of the Baltimore and Ohio Railroad, including the WINCHESTER AND POTOMAC, WINCHESTER AND STRASBURG, the STRASBURG AND HARRISONBURG, the WASHINGTON COUNTY, and the METROPOLITAN BRANCH ROADS, and the WASHINGTON CITY AND POINT LOOKOUT RAILROAD, from October 1st, 1876, to September 30th, 1877.

MONTHS.	Revenue from Passengers.	Revenue from Tonnage.	Total Revenue.
October 1876.....	\$288,449 49	\$645,092 73	\$933,542 22
November... "	109,226 33	632,234 18	741,460 51
December... "	82,619 02	569,682 47	652,301 49
January.... 1877.....	73,179 82	461,802 12	534,981 94
February.... "	75,259 29	461,506 57	536,765 86
March..... "	100,621 73	539,650 60	640,272 33
April..... "	90,422 11	604,287 37	694,709 48
May..... "	101,594 50	627,442 06	729,036 56
June..... "	106,340 87	548,420 58	654,761 45
July..... "	100,814 65	351,792 75	452,607 40
August..... "	123,477 80	737,003 72	860,481 52
September... "	112,798 77	718,325 76	831,124 53
Totals.....	\$1,361,804 38	\$6,897,240 91	\$8,262,045 29

B.

STATEMENT OF REVENUE

*Earned on the WASHINGTON BRANCH of the Baltimore and Ohio Railroad,
From October 1st, 1876, to September 30th, 1877.*

MONTHS.	Revenue from Passengers.	Revenue from Tonnage.	Total Revenue.
October.....1876.....	\$42,230 14	\$7,412 04	\$49,642 18
November... "	22,245 60	3,921 26	26,166 86
December... "	17,546 80	4,076 82	21,623 62
January.....1877.....	14,905 18	4,392 84	19,298 02
February.... "	16,051 37	4,236 17	20,287 54
March..... "	22,514 29	4,803 43	27,317 72
April..... "	17,646 75	5,973 66	23,620 41
May..... "	18,469 47	4,750 30	23,219 77
June..... "	18,119 77	4,298 78	22,418 55
July..... "	16,879 33	3,326 79	20,206 12
August..... "	19,110 89	5,503 03	24,613 92
September... "	19,999 99	8,694 85	28,694 84
Totals.....	\$245,719 58	\$61,389 97	\$307,109 55

C.

STATEMENT OF REVENUE

*Earned on the PARKERSBURG BRANCH of the Baltimore and Ohio Railroad,
From October 1st, 1876, to September 30th, 1877.*

MONTHS.	Revenue from Passengers.	Revenue from Tonnage.	Total Revenue.
October.....1876.....	\$28,642 39	\$37,188 98	\$65,831 37
November.... "	12,761 88	36,130 70	48,892 58
December.... "	9,617 51	31,412 69	41,030 20
January.....1877.....	8,988 67	44,317 10	53,305 77
February.... "	9,056 70	36,741 84	45,798 54
March..... "	12,136 20	51,287 95	63,424 15
April..... "	9,643 29	37,723 67	47,366 96
May..... "	10,502 92	41,256 02	51,758 94
June..... "	11,103 07	41,357 90	52,460 97
July..... "	9,381 35	20,539 19	29,920 54
August..... "	11,632 33	54,697 48	66,329 81
September... "	12,740 55	46,818 20	59,558 75
Totals.....	\$146,206 86	\$479,471 72	\$625,678 58

D.

SUMMARY OF REVENUE FOR THE ENTIRE ROAD, FOR 1877,
Compared with the Revenue for the fiscal year ended September 30th, 1876.

MAIN STEM,

Including the WINCHESTER AND POTOMAC, WINCHESTER AND STRASBURG, the STRASBURG AND HARRISONBURG, the WASHINGTON COUNTY, and the METROPOLITAN BRANCH ROADS, and the WASHINGTON CITY AND POINT LOOKOUT RAILROAD.

Date.	Passengers.	Tonnage.	Total.
For 1877.....	\$1,364,804 33	\$6,897,240 91	\$8,262,045 29
For 1876.....	1,674,475 66	7,957,885 40	9,632,361 06
Decrease	\$309,671 28	\$1,060,644 49	\$1,370,315 77

PARKERSBURG BRANCH RAILROAD.

Date.	Passengers.	Tonnage.	Total.
For 1877.....	\$146,206 86	\$479,471 72	\$625,678 58
For 1876.....	185,941 17	492,021 22	677,962 39
Decrease.....	\$39,734 31	\$12,549 50	\$52,283 81

WASHINGTON BRANCH RAILROAD.

Date.	Passengers.	Tonnage.	Total.
For 1877.....	\$245,719 58	\$61,389 97	\$307,109 55
For 1876.....	306,738 27	60,410 54	367,148 81
Increase.....	.....	\$979 43	.....
Decrease.....	\$61,018 69	.....	\$60,039 26

	Passengers.	Tonnage.	Total.
1877.			
Main Stem.....	\$1,364,804 38	\$6,897,240 91	\$8,262 045 29
Parkersburg Branch.....	146,206 86	479,471 72	625,678 58
Washington Branch.....	245,719 58	61,389 97	307,109 55
Totals.....	\$1,756,730 82	\$7,438,102 60	\$9,194,833 42

1876.			
Main Stem.....	\$1,674,475 66	\$7,957,885 40	\$9,632,361 06
Parkersburg Branch.....	185,941 17	492,021 22	677,962 39
Washington Branch.....	306,738 27	60,410 54	367,148 81
Totals.....	\$2,167,155 10	\$8,510,317 16	\$10,677,472 26
Decrease.....	\$410,424 28	\$1,072,214 56	\$1,482,638 84

OPERATIONS OF THE MAIN STEM.

PASSENGER TRANSPORTATION.

It is shown by Table "D" that the receipts from passengers for 1876 were \$1,674,475.66, and, for 1877, \$1,364,804.38—exhibiting a decrease of \$309,671.28.

TONNAGE TRANSPORTATION.

The receipts from tonnage transported on the Main Stem, in 1876, as shown by Table "D," were \$7,957,885.40, and, in 1877, \$6,897,240.91—exhibiting a decrease of \$1,060,644.49.

E.

Total number of tons THROUGH MERCHANDISE, East and West, for the fiscal year ended September 30th, 1877.....	1,047,645 tons
The same for fiscal year ended September 30th, 1876.....	1,093,393 tons
Decrease.....	45,748 tons

**COMPARATIVE STATEMENT OF GRAIN, &c., received at Baltimore
during the Fiscal Years ended September 30th, 1876 and 1877.**

	1876.	1877.
Corn, bushels.....	15 948 107	13 290,714
Wheat, ".....	620 300	2,560 600
Barley, ".....	1,361	55 021
Rye, ".....	11 928	37 214
Oats, ".....	936 250	496 312
Total bushels.....	17,517,946	16 379,861
Total 1876.....		17 517,946
Decrease.....		1,138,085
Flour brought to Baltimore.....		641,702 bbls.
In 1876.....		842 633 "
Decrease.....		200,931 bb's.
Live Stock brought to Baltimore.....		111 920 tons.
In 1876.....		98,652 "
Increase.....		13 268 tons.
Lumber brought to Baltimore.....		53,720 tons.
In 1876.....		65 238 "
Decrease.....		11,518 tons.

THE COAL TRADE.

Coal transported on the Main Stem, inclusive of the Company's supply.....	1,440 265 tons.
Deduct delivered at various points for the Company's supply...	370,839 "
Leaving amount transported for the public.....	1,069,426 tons.

DATE.	Delivered at Locust Point.	Delivered at places in Baltimore.	Delivered at Way Stations.	Total.
In 1877.....	953 260 tons.	41 872 tons.	74 294 tons.	1 069,426 tons.
In 1876.....	1,068,754 "	47,059 "	71,476 "	1,187,289 "
Decrease.....	115,494 tons.	5,187 tons.		117,863 tons.
Increase.....			2,818 tons.	

COAL AND COKE.

Total Coal transported on the Main Stem and Branches.....	1,440,265 tons.
Pittsburgh Division.....	1,138,103 "
Trans-Ohio Divisions.....	293 403 "
Total—Coal and Coke transported.....	2,871,771 tons.

STATEMENT showing the EXPENSES OF TRANSPORTATION on the MAIN STEM for the Fiscal Year ended September 30th, 1877, as compared with the same items for the Fiscal Year, 1876.

	1876.	1877.
Agents and Clerks	\$198,051 31	\$190,966 45
Pass'ger Cond'rs, Baggage Mast'rs and B'kemen.	99 005 99	81,577 20
Tonnage Conductors and Brakemen.....	394 186 11	263,142 52
Tonnage Enginemen.....	283,580 02	219 099 30
Tonnage Firemen.....	146 702 74	103,509 48
Passenger Enginemen.....	80,392 86	67,701 22
Pass'nger Firemen.....	39,141 54	32,797 68
Tonnage Teamsters.....	8,702 39	6 825 82
Passenger Teamsters.....	3,543 95	4 557 30
Depot Laborers, handling cars and freight...	256 772 14	242,045 09
Maintenance and Renewal of Stock and Harness.	19,092 39	9,806 60
Oil.....	91,487 31	85,701 61
Tallow.....	26,795 09	15 728 59
Waste.....	24,922 47	21 729 95
Stationery, Printing and Advertising.....	66,947 04	63,469 07
Gas and Candles.....	15,108 94	14,557 62
Miscellaneous and Contingent, including Ex-		
penses of Locust Point Elevators.....	113,163 94	106,454 37
Eastern and Western Agencies.....	92,330 53	88,250 23
Telegraph Operators.....	52,663 45	50,827 36
Totals.....	\$2,012,590 21	\$1,668,747 46

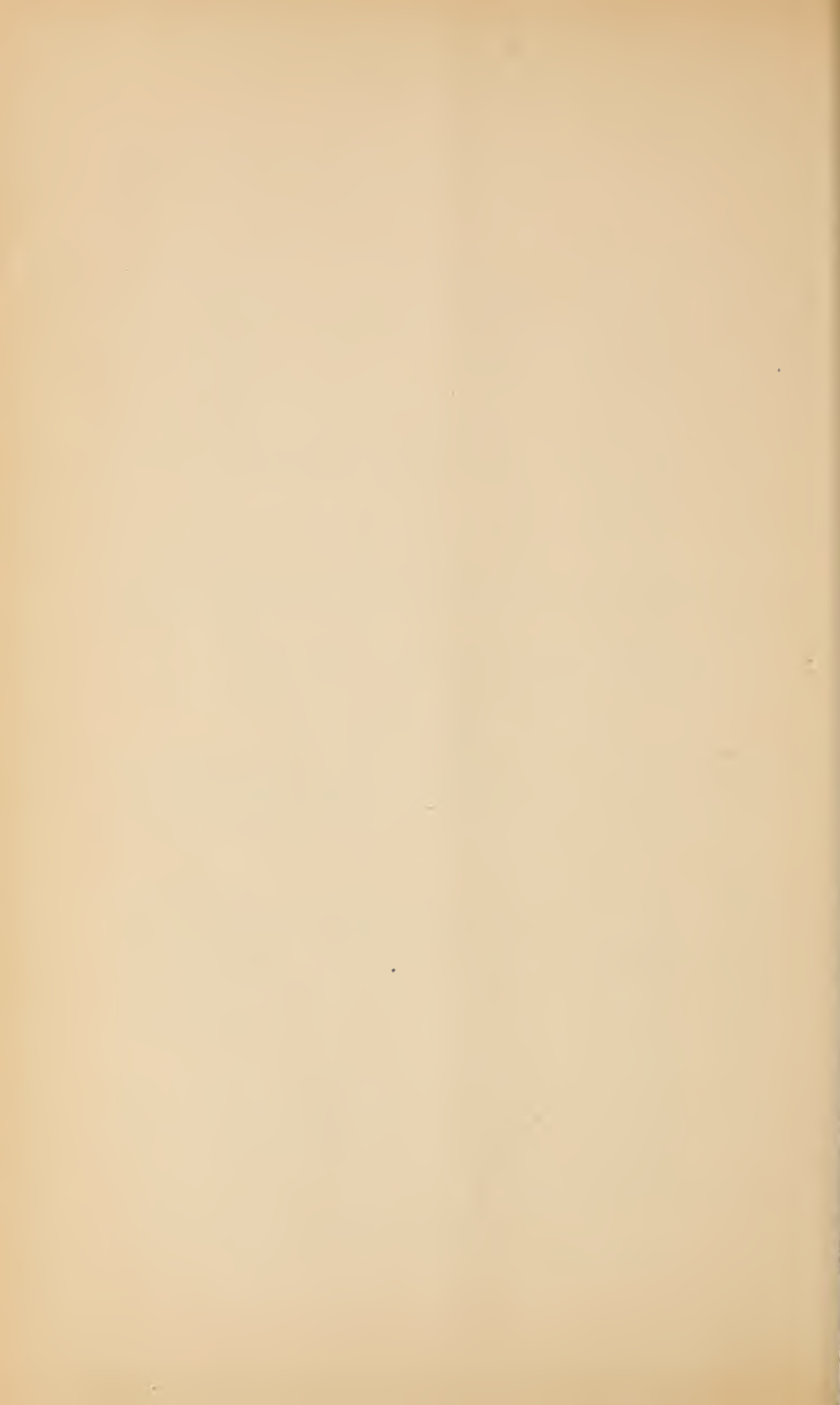
STATEMENT showing the EXPENSES OF TRANSPORTATION on the PARKERSBURG BRANCH for the Fiscal Year ended September 30th, 1877, as compared with the same items for the year 1876.

	1876.	1877.
Agents and Clerks.....	\$20,278 48	\$18 687 59
Tonnage Conductors and Brakemen	39,147 13	29,021 98
Pass'ger Cond'rs, Baggage Mast'rs and B'kemen.	10,563 65	8,651 62
Tonnage Enginemen.....	32,550 98	27,731 47
Passenger Enginemen.....	10,016 65	7,860 35
Tonnage Firemen.....	15,635 20	11,374 35
Passenger Firemen	5 010 75	3 944 80
Depot Laborers.....	35,305 83	30 932 00
Oil.....	9,859 89	10,620 77
Tallow.....	2,494 48	1,219 01
Waste.....	2,519 02	1,875 52
Stationery, Printing and Advertising.....	4,083 61	2 297 45
Miscellaneous and Contingent.....	4,455 21	4 284 44
Eastern and Western Agencies.....	4,417 46	3,694 73
Telegraph Operators.....	9,465 05	8,518 64
Totals.....	\$205 803 39	\$170,714 72

All of which is respectfully submitted,

THOS. R. SHARP,
Master of Transportation.

Road Department Report,
EAST OF CUMBERLAND.



OFFICE OF MASTER OF ROAD EAST OF CUMBERLAND,

BALTIMORE AND OHIO RAILROAD COMPANY,

Baltimore, October 1st, 1877.

JOHN W. GARRETT, ESQ., *President:*

SIR:—The following report of the operations of the Road Department east of Cumberland during the fiscal year ended 30th September, 1877, is respectfully presented:

REPAIRS OF RAILWAY.

This department expended \$506,437.08 for repairs of railway, embracing the maintenance of the road, renewal of ballast, and all labor and materials used in the repairs of track.

MAINTENANCE OF ROAD.

Consisting of surfacing, ditching and maintaining original width of road bed, and removing slips, cost \$21,030.03.

RENEWAL OF BALLAST.

On this account there was expended \$13,229.56.

LABOR AND MATERIALS FOR REPAIRS.

The amount expended in repairs for labor and materials—

For labor.....	\$263,348 98
“ materials.....	208,828 51
Total.....	\$472,177 49

RECAPITULATION.

Maintenance of Road.....	\$21,030 03
Renewal of Ballast.....	13,229 56
Labor and Materials for Repairs.....	472,177 49
Total.....	\$506,437 08

The quantity of new iron and steel rails used in repairs during the fiscal year was 3,085 tons, number of cross ties, 141,891.

Cost of Watching Cuts.....	\$14,365 82
“ “ Tunnels.....	1,574 18

MAINTENANCE OF BRIDGES.

Repairs and Rebuilding.—There was expended on this account—

For labor.....	\$39,912 84
“ materials.....	52,676 54
Total.....	\$92,589 38

The details of which are as follows :

Repaired Marriottsville trestle, double track, 320 feet long ; new track and guard rails were put on Great Cacapon, Little Cacapon, Patterson's Creek and North Branch bridges.

Abutments of Sleepy Creek bridge were rebuilt and piers lengthened, 948 cubic yards of bridge, first-class masonry.

Catoctin viaduct repaired, 189 cubic yards, first-class masonry.

Canal retaining walls at Point of Rocks and Miller's Point were rebuilt, 302 cubic yards of first-class masonry.

Additional suspension rods were put in five spans of Harper's Ferry bridge.

New ties and guard rails were put at Government wasteway.

Wager's county road bridge, Harper's Ferry, was repaired with suspension bolts and flooring.

Rebuilt Curr's Run arch, 262 yards of first-class masonry.

Renewed 300 feet of track with new rail joists in Harper's Ferry trestle ; 800 feet were strengthened with extra trestles ; four new piers under columns were built with first-class masonry.

Two abutments and wing walls at Bush Creek bridge were rebuilt with 635 cubic yards of first-class masonry.

Took out iron girders, removed abutments and put in trestling at Priestly's arch.

Put in new track and one pair of new girders at Thomas's roadway bridge ; put new rail joists and track on Monocacy bridge.

Rebuilt the following bridges : Marriottsville west trestling and highway bridges at Washington and Fayette streets, Cumberland.

The bridge crossing Hays street, Cumberland, was constructed with new I beams, 28 feet long.

Put new track and rail joists, buttress, panel rods and struts on bridge at Marriottsville ; new wall plates, buttress, panel rods and struts on Woodbine bridge ; new wall plates in North Branch bridge ; new track, rail joists, buttress, panel rods and struts on West Bush Creek bridge ; put new wall plates on Sleepy Creek bridge ; new rail joists and track on Opequan bridge ; put new wall plates on Great Cacapon, Little Cacapon and South Branch bridges.

Cost of Watching Bridges.....\$21,957 43

MAINTENANCE OF DEPOTS AND BUILDINGS.

The expenditure on this account was \$68,356.10.

At No. 12 water station, telegraph office, freight and passenger rooms have been renewed and extended seven feet.

Platforms at Sir John's Run and Frederick Junction have been repaired; also engine house at Sandy Hook.

At Lynn's curve, 9th sub-division, new cattle stops have been put in.

Between Baltimore and Cumberland 1,342 feet of platforms have been built.

The street in front of Camden Station, between Howard and Eutaw streets, has been laid with Belgian blocks, 1,998 square yards.

MAINTENANCE OF WATER STATIONS.

The expenditure on this account has been \$10,788.39.

At Gray, Lee and Gaither water stations new cupolas have been put on reservoirs, each 6 feet 6 inches high and 6 feet 6 inches in diameter.

Cost of Pumping Water.....\$19,170 36

MAGNETIC TELEGRAPH.

The expenditure on this account has been \$11,655.36.

Short wire between Sandy Hook and Mount Airy has been extended to Watersville, distance 3 miles.

An additional wire has been run from main line to Mt. Clare Junction, to give better facilities for moving stock.

Renewed line between Alexandria Junction and Shepherd's.

At Doe Gully Tunnel electric signals have been put up.

There were used in repairs 23 miles of wire, 579 poles, 739 cross arms, 2,154 insulators, 2,436 screw pins and 219 brackets.

WINCHESTER AND POTOMAC, WINCHESTER AND STASBURG AND HARRISONBURG ROADS.

Between Harper's Ferry and Strasburg $2\frac{1157}{5280}$ miles have been relaid with iron rails, and 21,245 cross ties used to replace defective ones.

Rebuilt Shenandoah city bridge, 2 spans, 94 feet each, first-class Howe truss.

Put in iron shad-belly at Lucas' culvert, and striders 18 feet each.

Rebuilt Stickley's and Hall's trestling.

Put new chords and main braces in Strider's Island bridge; rebuilt trestling at Strasburg.

Built extension to Winchester freight depot, 54 by 34 feet, with sheet iron roof.

Built new baggage shed at Charlestown.

STRASBURG AND HARRISONBURG ROAD.

Between Strasburg and Harrisonburg 6 miles of new rails have been substituted for defective ones, and 17,462 cross ties used.

Renewed west trestling of Zircles, 450 feet in length.

Built new cattle pens at Cowan's Station.

Renewed sixty open culverts, 836 feet in length; put new slate roof on freight depot at Mt. Jackson, 43 $\frac{3}{4}$ squares.

Extra splice castings have been put in bottom of Tom's Brook bridge.

Rebuilt all cattle stops between Strasburg and Forrest Station; repaired platform between Timberville and New Market.

On line of road between Strasburg and Harrisonburg 1,415 feet of platforms have been built.

All other necessary repairs have been made.

WASHINGTON COUNTY ROAD.

Two miles of iron rails have been substituted for defective ones, and 3,903 cross ties used.

Additional caps, legs, sills and braces put in Big Antietam bridge.

New truss posts in bridges Nos. 1, 4, 6, 9, 21, 26 and 27.

New wagon road bridge at Garrett's Mills and Wine's county road bridge have been built.

Four hundred and eighty feet platform at Hagerstown Station has been built.

METROPOLITAN ROAD.

3 $\frac{733}{52-0}$ miles of new rails have been substituted for defective ones, and 8,598 cross ties used.

New ties and guard rails have been put in Monocacy bridge.

Iron girders have been put in Riley's bridge 26 feet long, and in Dickerson's bridge 28 feet long.

Repaired Big and Little Seneca bridges.

Put in one pair iron girders 38 feet long, new coping and new track in Barnesville bridge.

Renewed all county road bridges east of Washington Grove.

New fence around reservoir at Rock Creek, 5 rails high and 450 feet long, has been built.

At Washington Junction a new dam 75 feet long, 5 feet deep, has been built.

At Windham's and Derwood two waiting sheds, each 10 by 14, 9 feet high, with open fronts and metal roofs, have been built.

WASHINGTON CITY AND POINT LOOKOUT BRANCH.

All bridges have been kept in thorough repair on this branch.

WASHINGTON BRANCH ROAD.

Repairs of Railway.—The expenditure on this account was \$73,611.13, of which \$5,125.76 were for ditching and maintaining road-bed.

There were used in track 470 tons of new rails, and 30,973 cross ties.

The siding in Washington yard has been extended 840 feet.

Repairs of Water Stations.—The expenditure on this account was \$956 50.

All stations on this division were kept in good repair.

Cost of Pumping Water.....\$5,382 72

Repairs of Depots and Buildings.—The expenditure on this account was \$5,952.67.

At Harman's a new passenger platform, 5 feet 3 inches wide and 75 feet long, has been built.

At Annapolis Junction a station house and waiting shed combined have been built—station house 14 by 46, 11 feet high, waiting shed 14 by 44, 11 feet high, open on sides and end, both covered with metal roof.

Platform at Bladensburg has been repaired.

At Washington a freight warehouse 40 by 200 feet, 13 feet 3 inches high, with metal roof and sides, has been built.

A new platform at passenger depot, 26 feet wide and 360 feet long has been built.

A stable and wagon house combined for Baltimore and Ohio Express, 25½ by 64, 14 feet high, with metal roof, has been built.

Repairs of Bridges.—The expenditure on this account was \$7,527.25.

County road bridge at Reeve's has been built, 34 feet, spanning two tracks and resting on stone abutments.

New track has been put on Bladensburg, Savage, Laurel and Piney Branch bridges.

A retaining wall has been built and iron girders and new track put on Colbert's culvert; built two new retaining walls at Bear Branch, and put in two new iron girders 28 feet long.

CONSTRUCTION—MAIN STEM.

There have been laid during the fiscal year 2,404 feet of siding between Locust Point and Cumberland.

At Sandy Hook, a retaining wall containing 107 cubic yards of masonry has been built.

CONSTRUCTION OF DEPOTS AND BUILDINGS.

At Locust Point, new steamship pier, Nos. 31 and 32 has been completed, 100 feet wide and 722 feet long.

New bulkhead, 671 feet, has been completed in this fiscal year, in addition to that reported last year, making a total of 1,187 feet.

A gateway for new steamship pier, 20 feet wide, 14 feet high, has been built.

At Henderson's wharf, new freight shed, 40 by 180 feet, with metal sides and roof, has been built.

At Camden Station, a freight warehouse for Baltimore and Ohio Express, corner of Barre and Howard streets, $35\frac{1}{4}$ by $99\frac{1}{2}$ feet, 13 feet 9 inches high, with metal roof and sides, has been built.

At Mt. Clare, new shed for boiler shop, 13 by 79 feet, 9 feet high, with metal roof, has been built; also a fence from boiler shop to Carey street bridge, 470 feet long, 9 feet high, has been built.

At Mt. Winans, station house, 10 by 16 feet, 8 feet high, with metal roof, has been built.

At Kearneysville, a telegraph office, 10 by 16 feet, 8 feet high, with metal roof, has been built.

CONSTRUCTION OF WATER STATIONS.

At Riverside, a new pump house, 16 by 20 feet 8 inches, 15 feet high, has been built.

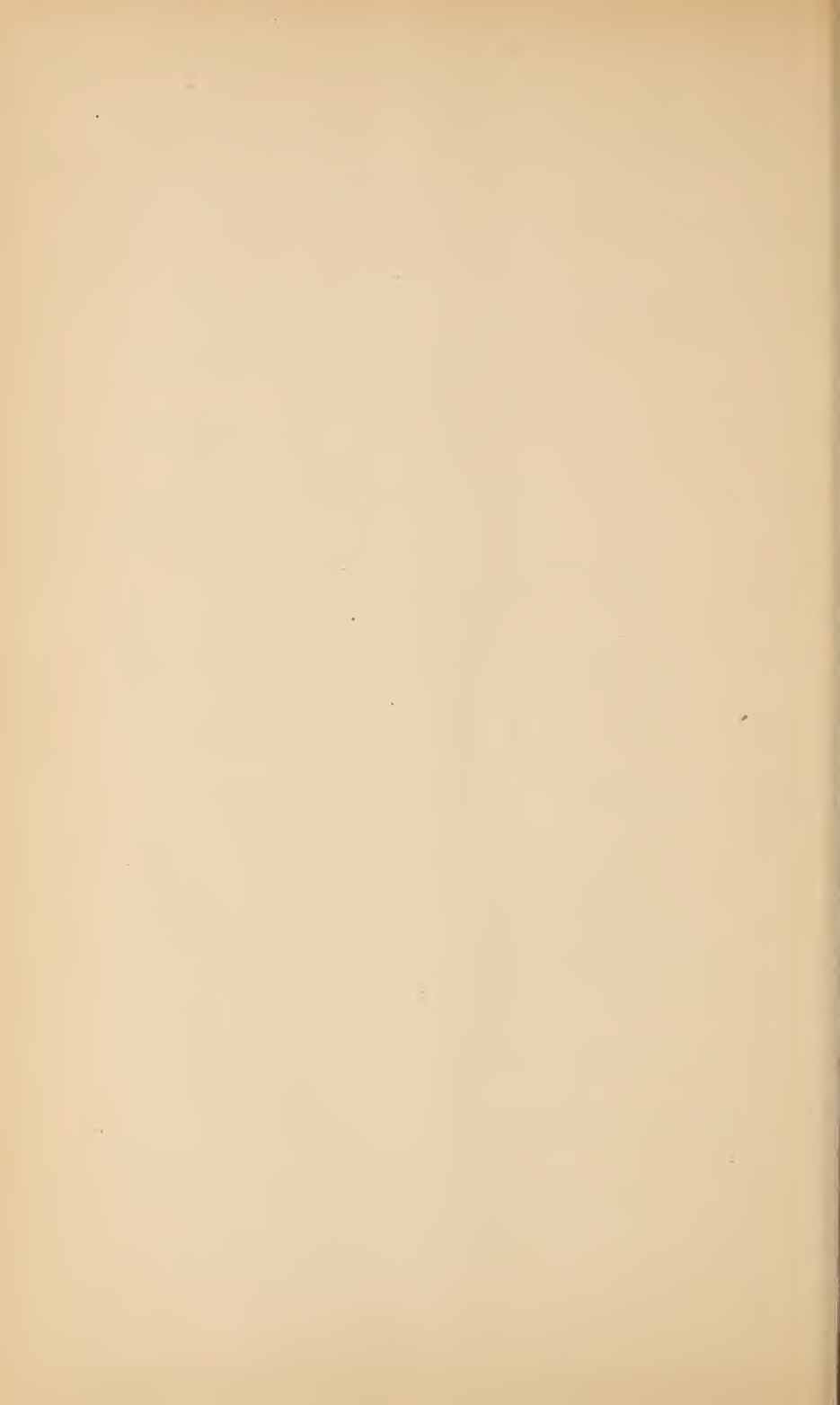
At Lee's, a new pump house, 12 by 15, 10 feet high, has been built for temporary service.

At No. 12 Water Station, a new shed at pump house, 6 by 6 feet 6 inches, 7 feet high, has been built.

Respectfully submitted,

JOHN L. WILSON,

Master of Road East of Cumberland.



Road Department Report, .
WEST OF CUMBERLAND.



OFFICE OF MASTER OF ROAD WEST OF CUMBERLAND,
BALTIMORE AND OHIO RAILROAD COMPANY

Grafton, W. Va., October 1st, 1877.

JOHN W. GARRETT, ESQ., *President:*

SIR—The following report of the operations of the Road Department west of Cumberland for the fiscal year ended 30th September, 1877, is respectfully presented:

REPAIRS OF RAILWAY.

This department expended \$301,932.13 for repairs of railway, embracing the maintenance of the road, renewal of ballast, and all labor and materials used in the repairs of track.

MAINTENANCE OF ROAD.

Consisting of surfacing, ditching, maintaining original width of road-bed and removing slips, cost \$15,470.62.

RENEWAL OF BALLAST.

On this account there was expended \$3,850.75.

LABOR AND MATERIALS FOR REPAIRS.

The amount expended in repairs for labor and materials was—

For labor.....	\$148,056 38
“ materials.....	134,554 38
Total.....	<u>\$282,610 76</u>

RECAPITULATION.

Maintenance of Road.....	\$15,470 62
Renewal of Ballast.....	3,850 75
Labor and Materials for Repairs.....	282,610 76
Total.....	<u>\$301,932 13</u>

The quantity of new iron and steel rails used in repairs during the fiscal year was 1,968 tons, number of cross ties, 125,217.

Cost of Watching Cuts.....	\$26,940 50
“ “ Tunnels.....	1,814 05

MAINTENANCE OF BRIDGES.

Repairs and Rebuilding.—There was expended on this account—

For labor.....	\$11,477 41
“ materials.....	10,043 06
Total.....	<u>\$21,520 47</u>

The details of which are as follows :

Repaired Wheeler's Run and Lime Stone Run bridges.

Cast iron girders were taken out under main tracks west end of Keyser yard and I beams put in ; cast iron girders under third and fourth tracks west end of Keyser yard were doubled ; cast iron girders were taken out and I beams put under main tracks at Red Rock.

Openings at Piedmont were repaired.

A substantial stone arch culvert, 140 feet in length, 16 feet opening, containing 1,382 cubic yards of first-class masonry, and 533 cubic yards of retaining wall.

Masonry at 40 Cut was built and the embankment filled in.

Viaduct No. 2, Cheat River Grade, 485 feet long, was renewed with rail joists.

Shehan's Run bridge was repaired ; also Thorn's Run, Three Fork and Monongahela bridges.

Coal Run bridge was repaired and adjusted.

In Pile's Fork bridge, No. 4, put on new rail joists.

Pile's Fork, No. 5, put in new floor beams, rail joists and ties.

Pile's Fork, No. 6, repaired.

Churches' Fork, Nos. 1, 3, 5, 6 and 7, renewed.

Fish Creek bridge renewed.

Graves' Creek bridge, No. 1, renewed, and Nos. 2, 3 and 4 adjusted.

Graves' Creek, No. 5, west abutment taken down and rebuilt, and former superstructure replaced by Bollman Deck bridge.

Grave Creek bridge, No. 8, adjusted ; Middle Grave Creek repaired ; Little Grave Creek strengthened.

Ohio River bridge, Benwood, repaired.

All bridges on the Main Stem have been adjusted and maintained in good order.

Cost of Watching Bridges.....\$2,191 77

MAINTENANCE OF DEPOTS AND BUILDINGS.

The expenditure on this account was \$11,692.74.

Passenger platforms at Piedmont, Newburg, Benton's Ferry, stock pens at Independence and shops at Grafton have been repaired.

Platforms at Barracksville, 175 feet long, and at Mannington, 180 feet long, have been renewed.

New stock pens at Burton's built.

Addition to freight house at Burton made.

Freight depot at Wheeling repaired.

Hotel at Deer Park repaired, and 400 feet drain pipe laid.

All necessary repairs to depots and buildings on line of road have been made.

MAINTENANCE OF WATER STATIONS.

The expenditure on this account was \$4,194.03.

At Rawling's Water Station, pump and penstock have been repaired; also at Keyser, Piedmont, 34th section, No. 48, and Altamont.

Pumps, pipes and penstocks at Oakland, Snowy Creek, Cranberry Summit, No. 54, Rowlesburg, Newburg and No. 59 have been repaired.

Grafton Water Station has been put in complete order.

A retaining wall for reservoir at Grafton, containing 104 cubic yards of Masonry, was built; 3,000 feet of 8-inch pipe and 1,500 feet of 6-inch pipe have been laid.

Valley Falls, Benton's Ferry, Barnesville, Farmington, Mannington, Littleton, Shepherd's Tunnel, Moundsville and Wheeling Water Stations have been repaired and all put in good order.

Cost of Pumping Water.....\$9,702 12

MAGNETIC TELEGRAPH.

The expenditure on this account has been \$4,442.43.

In January a severe storm prevailed along the line of the 4th division, causing destruction of line between Barracksville and Glover's Gap, which was renewed.

There were used in repairs 5 miles of wire, 209 poles, 130 cross arms, 436 insulators, 335 screw pins and 115 brackets.

WHEELING, PITTSBURGH AND BALTIMORE RAILROAD.

Repairs of Railway.—Expenditure on this account was \$18,832.69, of which \$3,840.83 were for ditching and maintaining road-bed.

Watching Tunnels.....\$875 80

Repairs of Bridges.—The expenditure on this account was \$959.06.

Trestle works 5, 6, 7 and 8 have been renewed, and all other trestles maintained in good order.

Repairs of Depots and Buildings.—The expenditure on this account was \$630.51.

All necessary repairs to depots and buildings have been made.

Repairs of Water Stations.—The expenditure on this account was \$28.64.

All necessary repairs have been made.

Cost of Pumping Water.....\$700 06

PARKERSBURG BRANCH ROAD.

Repairs of Railway.—The expenditures on this account were, viz:

For labor and materials for repairs	\$151,613 58
For renewal of ballast.....	1,763 75
For maintenance of road.....	9,609 65
	<hr/>
	\$162,986 98

As compared with that of 1876, this amount shows a decrease of \$45,078.44.

There were used for this branch 1,274 tons of new rails, and 63,748 cross ties.

Repairs of Water Stations.—The expenditure on this account was \$1,581.42.

All necessary repairs have been made and stations kept in good condition on line of road.

Cost of Pumping Water.....\$3,629 83

Maintenance of Bridges.—The expenditure on this account was \$12,839.95.

Bridges Nos. 14 and 15, Fink Deck, 60 feet span, have been rebuilt.

Bridges Nos. 42, 43, 44 and 45, Fink Deck, 100 feet span, castings and bearing timbers have been renewed, and additional rods have been put in.

Bearing timbers have been renewed in the following bridges: Nos. 1 and 7.

Ohio River bridge at Parkersburg has been repaired.

Highway bridge at 7th section, 70 feet long, 16 feet wide, has been rebuilt.

Repairs of Depots and Buildings.—The expenditure on this account has been \$2,774.32.

All buildings have been kept in repair on this branch during the fiscal year.

Repairs of Telegraph.—The expenditure on this account has been \$908.96.

There were used in repairs $\frac{1}{2}$ mile of wire, 97 poles, 41 cross arms, 82 screw pins, 133 insulators and 109 brackets.

The line has been maintained in efficient order during the year.

Construction.—At Salem, a new telegraph office, 12 by 16, 12 feet high, with metal roof, has been built.

At Pennsboro', a new telegraph office, 12 by 20, 12 feet high, has been built.

CONSTRUCTION—MAIN STEM.

There have been laid during the fiscal year 3,010 feet of siding between Cumberland and Wheeling; also 600 feet of new siding in Keyser yard.

At 38th Section, a retaining wall, containing 210 cubic yards of masonry, has been built.

At 40 Cut, a retaining wall, containing 102 cubic yards of masonry, has been built.

CONSTRUCTION OF DEPOTS AND BUILDINGS.

At Altamont, new telegraph office, 12 by 20, 12 feet high, with metal roof, has been built.

At Keyser, stock yards, two additional sheds, 37 by 81 feet, have been built.

CONSTRUCTION OF WATER STATIONS.

At Deer Park, a new tub, 20 feet in diameter, 12 feet high, has been built.

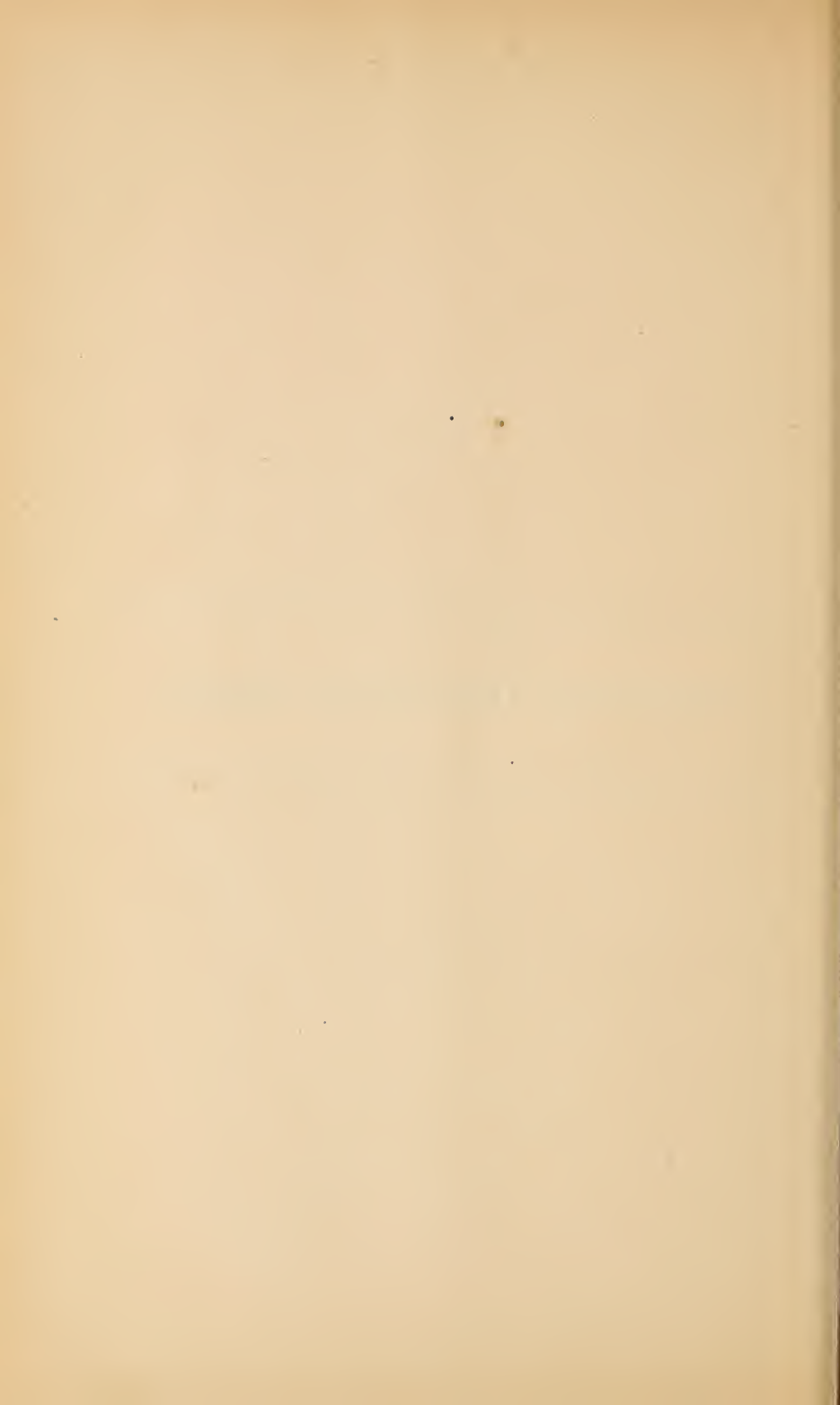
Respectfully submitted,

JOHN BRADSHAW,

Master of Road West of Cumberland.



Machinery Department Report.



OFFICE OF THE MASTER OF MACHINERY,
BALTIMORE AND OHIO RAILROAD COMPANY,

Baltimore, October 1st, 1877.

JOHN W. GARRETT, ESQ., *President :*

DEAR SIR:—The operations of this department for the fiscal year are herewith presented:

STATEMENT OF EXPENSES OF THE MACHINERY DEPARTMENT,

From October 1st, 1876, to September 30th, 1877.

MAIN STEM.

Including the Winchester and Potomac, Winchester and Strasburg, the Strasburg and Harrisonburg, the Washington County, the Metropolitan, and the Washington Branch Roads, and the Washington City and Point Lookout Railroad.

Repairs of Locomotive Engines.....	\$496,172 89	
Repairs of Passenger Cars.....	189,598 59	
Repairs of Pullman Cars.....	37,182 98	
Repairs of Tonnage Cars.....	261,922 30	
Repairs of Coal Cars.....	103,405 95	
Repairs of Stock Cars.....	20,254 30	
Repairs of Stationary Machinery.....	90,380 97	
Cleaning Engines and Cars, and Putting away Engines.....	91,187 31	
Preparing Fuel and Filling Tenders.....	24,500 70	
Contingent Expenses.....	5 098 86	
Fuel.....	312,334 25	
		\$1,632,039 10

PARKERSBURG BRANCH.

Repairs and use of Locomotive Engines.....	\$53,954 08	
Repairs and use of Passenger Cars.....	6,567 77	
Repairs and use of Pullman Cars.....	113 26	
Repairs and use of Tonnage Cars.....	26,715 00	
Repairs and use of Coal Cars.....	7,961 73	
Repairs and use of Stock Cars.....	7,446 73	
Repairs and use of Stationary Machinery.....	3,628 88	
Cleaning Engines and Cars, and Putting away Engines.....	7,658 90	
Preparing Fuel and Filling Tenders.....	2,516 18	
Contingent Expenses.....	121 68	
Fuel.....	27,291 97	
		143,976 18
		\$1,776,015 28

The locomotive equipment of the Main Stem is five hundred and twenty engines, and as shown by the last annual report, is thus classified:

	Class.			
	1st.	2d.	3d.	Total.
Passenger.....	92	3		95
Tonnage.....	389	29	7	425
	481	32	7	520

The consolidation engines continue to exhibit satisfactory results. They are well adapted to the curves of the Main Stem, and are more powerful than other engines for heavy traffic.

COMPARISON OF MILES RUN BY LOCOMOTIVES.

	Main Stem.	Park Br.	Wash. Br.	Total.
1876.....	8,892,087	1,265,179	721,811	10,879,077
1877.....	8,034,766	1,205,999	867,775	10,108,540
Increase.....	.....	.....	145,964	.....
Decrease.....	857,321	59,180	.....	770,537

During the year seventy-seven engines were thoroughly repaired; and the equipment generally is in good condition.

The car equipment of the Main Stem consists of eleven thousand, eight hundred and twenty-eight cars, as reported the previous fiscal year. Three hundred and sixty-four house cars have been built at the Company's shops, which have been furnished for and charged to the Baltimore and Ohio and Chicago Railway Companies.

There has been one horizontal stationary boiler built at Mount Clare Shops and placed in the smith shop, at the cost of \$2,751.47. The stationary machinery and tools have been kept up.

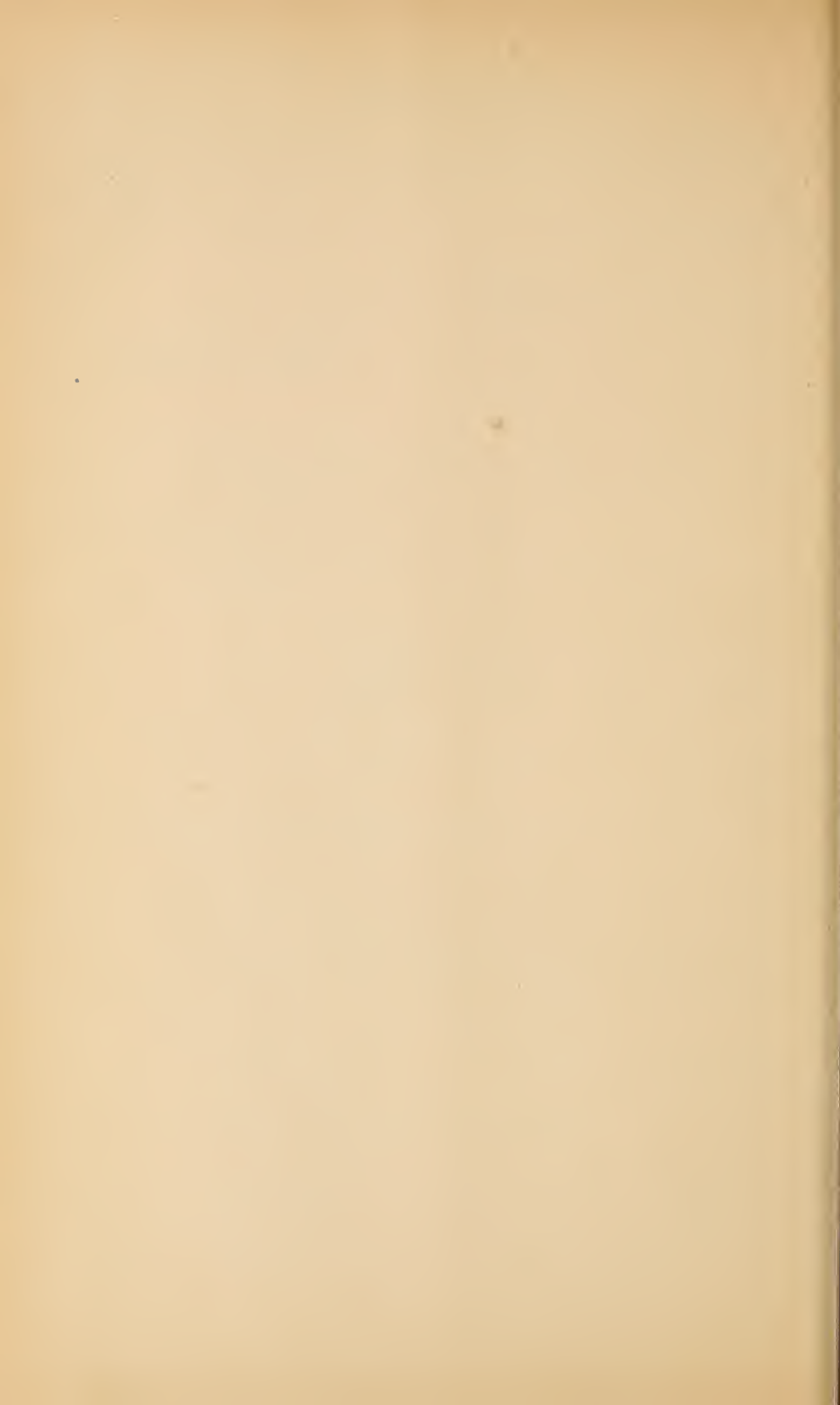
The Rolling and Bar Mill have only been operated occasionally since last January. During the year there have been made 11,917 tons of first-class iron rails, 3,049 tons of bar iron, and 178 tons of steel. The machinery, tools and buildings have been fully maintained.

Great care has been exercised to use only the best materials in the repairs to and the renewal of the motive and rolling power and the stationary machinery and tools, and to secure economy and durability in the details of the work.

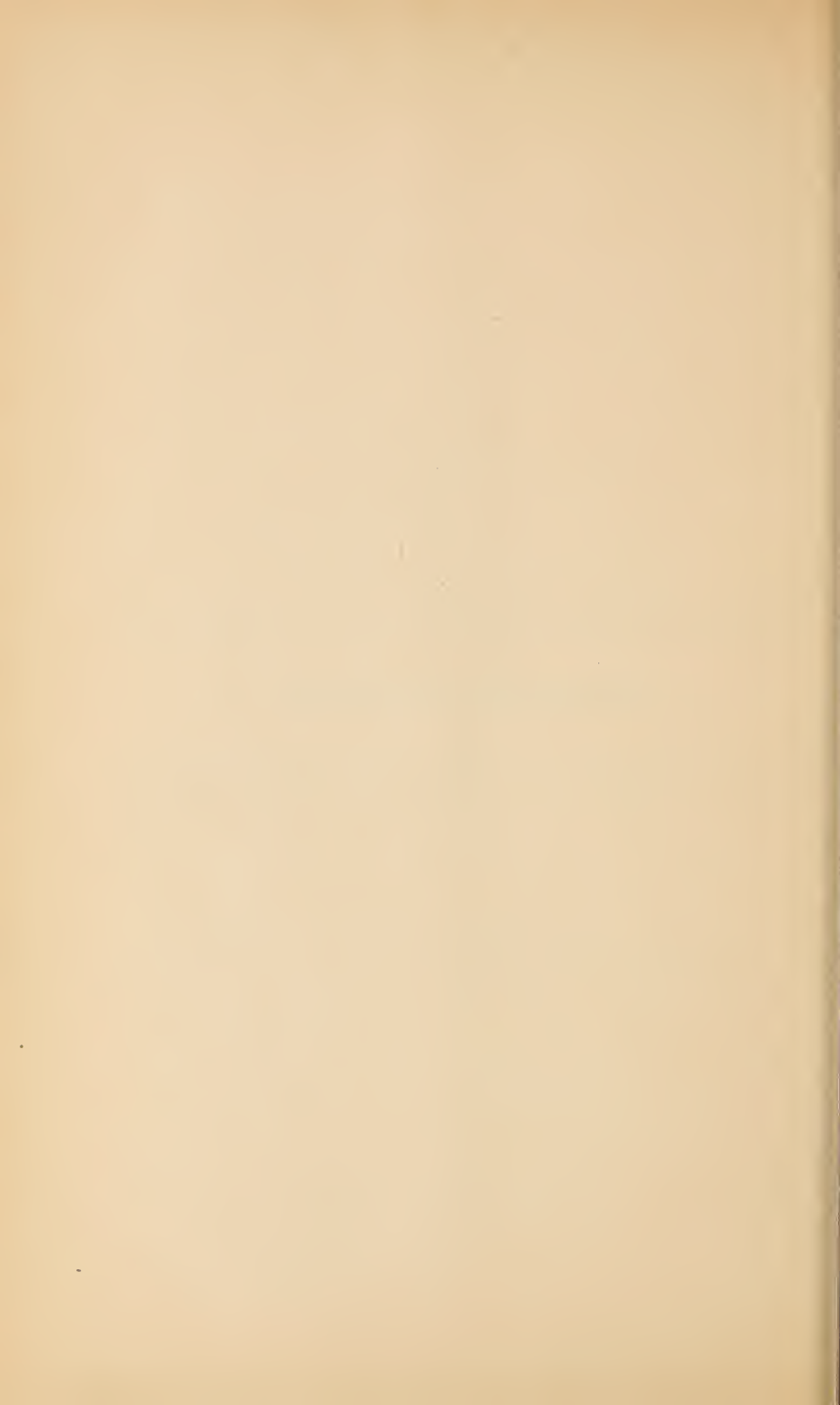
Respectfully submitted,

JOHN C. DAVIS,

Master of Machinery.



Trans-Ohio Divisions.



Baltimore and Ohio Railroad Company,
TRANS-OHIO DIVISIONS,
OFFICE OF THE GENERAL MANAGER,
NEWARK, OHIO, *October, 1st, 1877.*

JOHN W. GARRETT, ESQ., *President:*

SIR:—The following is a synopsis of the operations of the Trans-Ohio Divisions for the fiscal year ended September 30th, 1877:

CENTRAL OHIO DIVISION.

Comparison of the Earnings and Expenses for the Fiscal Year 1877 with 1876.

	1876-'77.	1875-'76.	Increase or Decrease.
EARNINGS—			
Passenger.....	\$226,934 47	\$268,393 12	Dec.. \$41,458 65
Mail and Express.....	63,571 56	83,452 82	" 19,881 26
Freight.....	471,018 85	537,345 65	" 66,326 80
Total.....	\$761,524 88	\$839,191 59	Dec.. \$127,666 71
EXPENSES—			
Transportation Department..	\$223,559 55	\$273,689 51	Dec.. \$51,129 96
Road Department.....	179,028 21	288,638 00	" 109,609 79
Machinery Department.....	127,815 53	171,786 24	" 43,970 71
Fuel.....	42,166 62	51,771 47	" 9,604 85
Taxes and all other Expenses.	40,667 46	51,469 77	" 10,802 31
Total.....	\$612,237 37	\$837,354 99	Dec.. \$225,117 62
Net Earnings.....	\$149,287 51	\$51,836 60	Inc.. \$97,450 91
MILES RUN BY ENGINES—			
Passenger.....	325,139	350,334	Dec.. 25,195
Tonnage, Switching, &c.....	836,282	999,179	" 162,897
Total.....	1,161,421	1,349,513	Dec.. 188,092
Repairs of Engines.....	\$57,118 09	\$73,461 44	Dec.. \$16,343 35
Oil.....	10,232 52	13,125 88	" 2,893 36
Total....	\$67,350 61	\$86,587 32	Dec... \$19,236 71
MILES RUN BY—			
Passenger, Sleeping, Baggage, Mail and Express Cars.....	1,189,350	1,285,608	Dec.. 96,258
Freight Cars.....	8,111,667	9,367,337	" 1,255,670
Total	9,301,017	10,652,945	Dec.. 1,351,928

ROAD DEPARTMENT.

Repairs of Railway.—Between Bellaire and Newark 1,284 tons of iron rails and 298 tons steel rails, and between Newark and Columbus 1,589 tons steel rails, have been laid in the track, making a total upon the entire division, between Bellaire and Columbus, of 3,171 tons. 41,677 cross ties have been placed in the track between Bellaire and Newark, and 24,694 between Newark and Columbus, a total upon the entire division of 66,371. Included in this amount are those used in additional side tracks, of which ten hundred and sixty-seven feet have been built. Ten miles of track have been rebalasted between Bellaire and Newark, and sixteen miles between Newark and Columbus.

Bridges.—Howe Truss bridge No. 2 has had 48 additional truss rods put in, the angle blocks renewed, and the entire bridge thoroughly repaired. Howe Truss bridge No. 11, crossing the Licking river at Zanesville, with two spans of 117 feet 8 inches each, has been rebuilt. The trussed girder bridges at Grass Creek, Mill Run, Bailey's Mill, Lewis' Mill and Clay Lick, also the county road bridges at Belmont, Burton's and Barnesville, have been rebuilt.

All other bridges have been kept in good repair.

Four stone culverts have been rebuilt.

Howe Truss bridges Nos. 33 and 18 caught fire from sparks from locomotives and were destroyed. These bridges are to be substituted with iron structures.

Depots and Buildings.—Passenger platforms, 485 feet, have been rebuilt.

Train order signals have been erected at all telegraph stations.

Stock shutes at Glencoe, Belmont, Barnesville, Spencer's, Salesville and Cambridge have been rebuilt.

All depots and other buildings, platforms, cattle guards, &c., have been kept in good repair.

Water Stations.—At Newark, 1,946 feet of eight-inch pipe have been laid, connecting with the pipe leading from the canal at Lockport to the passenger depots of the Baltimore and Ohio and Pittsburgh, Cincinnati and St. Louis Railroad Companies.

All other water stations have been kept in good repair.

LAKE ERIE DIVISION.

Comparison of the Earnings and Expenses for the Fiscal Year 1877, with 1876.

	1876-'77.	1875-'76.	Increase or Decrease.
EARNINGS—			
Passenger.....	\$155,794 93	\$195,175 28	Dec.. \$39,380 35
Mail and Express.....	62,393 66	45,943 03	Inc.. 16,450 63
Freight.....	479,876 55	565,805 20	Dec.. 85,928 65
Total.....	\$698,065 14	\$806,923 51	Dec.. \$108,858 37
EXPENSES—			
Transportation Department...	\$169,328 08	\$221,407 45	Dec.. \$52,079 37
Road Department.....	96,633 74	120,273 89	" 23,640 15
Machinery Department.....	109,272 08	152,256 25	" 42,984 17
Fuel.....	41,692 34	58,035 18	" 16,342 84
Taxes and all other expenses..	31,582 45	25,579 97	Inc.. 6,002 48
Total.....	\$448,508 69	\$577,552 74	Dec.. \$129,044 05
Net Earnings.....	\$249,556 45	\$229,370 77	Inc.. \$20,185 68
MILES RUN BY ENGINES—			
Passenger.....	196,070	246,304	Dec... 50,234
Tonnage, Switching, &c.....	658,470	829,736	" 171,266
Total.....	854,540	1,076,040	Dec... 221,500
Repairs of Engines.....	\$36,910 15	\$57,681 14	Dec.. \$20,770 99
Oil.....	9,826 56	13,770 74	" 3,944 18
Total.....	\$46,736 71	\$71,451 88	Dec.. \$24,715 17
MILES RUN BY—			
Passenger, Sleeping, Baggage, Mail and Express Cars.....	879,311	934,634	Dec.. 55,323
Freight Cars.....	8,913,730	10,794,091	" 1,880,361
Total.....	9,793,041	11,728,725	Dec.. 1,935,684

ROAD DEPARTMENT.

Repairs of Railway.—Five hundred and three tons of steel and iron rails and 36,437 cross ties have been laid in the track.

Bridges.—A Howe Truss bridge, 42 feet span, has been built over the mill race at Mount Vernon.

Howe Truss bridges Nos. 5, 6, 9, and 10 have had new beams and other repairs.

All bridges have been kept in good repair.

Depots and Buildings.—The passenger platform at Monroeville has been rebuilt.

Train order signals have been erected at all telegraph stations.

All depots and buildings, platforms, &c., are in good repair.

Water Stations.—All water stations have been kept in good repair.

STRAITSVILLE DIVISION.

Comparison of the Earnings and Expenses for the Fiscal Year 1877, with 1876.

	1876-'77.	1875-'76.	Increase or Decrease.
EARNINGS—			
Passenger.....	\$18,298 98	\$18,987 89	Dec....\$ 688 91
Mail and Express.....	2,279 62	3,975 18	" 1,695 56
Freight.....	143,622 21	140,611 71	Inc.... 3,010 50
Total.....	\$164,200 81	\$163,574 78	Inc.... \$626 03
EXPENSES—			
Transportation Department...	\$35,132 01	\$42,318 29	Dec.. \$ 7,186 28
Road Department.....	39,200 03	61,109 24	" 21,909 21
Machinery Department.....	22,846 72	26,283 75	" 3,437 03
Fuel.....	7,212 31	9,094 43	" 1,882 12
Taxes and all other expenses..	9,182 41	8,129 07	Inc.. 1,053 34
Total.....	\$113,573 48	\$146,934 78	Dec.. \$33,361 30
Net Earnings.....	\$50,627 33	\$16,640 00	Inc.. \$33 987 33
MILES RUN BY ENGINES—			
Passenger.....	56,748	59,292	Dec.... 2 544
Tonnage, Switching, &c.....	215,795	185,752	Inc 30,043
Total.....	272,543	245,044	Inc 27,499
Repairs of Engines.....	\$9,916 17	\$12,748 06	Dec...\$2,831 89
Oil.....	1,938 07	2,510 35	" 572 28
Total.....	\$11,854 24	\$15,258 41	Dec....\$3 404 17
MILES RUN BY—			
Passenger and Baggage Cars..	120,969	167,035	Dec.... 46.066
Freight Cars.....	2,116,081	1,802,123	Inc... 313 958
Total.....	2,237,050	1,969,158	Inc....267,892

ROAD DEPARTMENT.

Repairs of Railway.—Four hundred and twenty-nine tons iron rails and 17,741 cross ties have been laid in the track.

Bridges.—All bridges have been kept in good repair.

Depots and Buildings.—Train order signals have been erected at telegraph stations.

Two miles and 2,919 feet of fencing and ten cattle guards rebuilt.

Water Stations.—All water stations have been kept in good order.

CHICAGO DIVISION.

Comparison of the Earnings and Expenses for the Fiscal Year, 1877, with 1876.

	1876-'77.	1875-'76.	Increase or Decrease.
EARNINGS—			
Passenger	\$215,857 45	\$349,378 34	Dec. \$133,520 89
Mail and Express.	113,986 45	98,464 36	Inc. 15,522 09
Freight.	627,851 70	783,943 18	Dec. 156,091 48
Total.	\$957,695 60	\$1,231,785 88	Dec. \$274,090 28
EXPENSES—			
Transportation Department...	\$333,347 08	\$413,619 93	Dec. \$80,272 85
Road Department.	157,331 03	196,526 22	" 39,195 19
Machinery Department.	160,883 89	264,678 93	" 103,795 04
Fuel.	70,660 88	106,632 69	" 35,971 81
Taxes and all other expenses..	112,192 33	83,625 09	Inc. 28,567 24
Total.	\$834,415 21	\$1,065,082 86	Dec. \$230,667 65
Net Earnings.	\$123,280 39	\$166,703 02	Dec. \$43,422 63
MILES RUN BY ENGINES—			
Passenger.	438,242	532,572	Dec. 94,330
Tonnage, Switching, &c.	1,061,085	1,495,752	" 434,667
Total.	1,499,327	2,028,324	Dec. 528,997
Repairs of Engines.	\$76,848 79	\$103,172 57	Dec. \$26,323 78
Oil.	14,558 52	21,381 33	" 6,822 81
Total.	\$91,407 31	\$124,553 90	Dec. \$33,146 59
MILES RUN BY—			
Passenger, Sleeping, Baggage, Mail and Express Cars.	2,060,224	2,762,203	Dec. 701,979
Freight Cars.	13,419,062	18,124,177	" 4,705,115
Total.	15,479,286	20,886,380	Dec. 5,407,094

ROAD DEPARTMENT.

Repairs of Railway.—Four hundred and forty-four tons of iron and 12,093 cross ties have been laid in the track.

One mile and 1,437 feet of side tracks have been laid.

Twenty-one miles of main track have been rebalasted.

A track has been built connecting with the Columbus and Toledo road at Fostoria.

Extensive repairs have been made to the Breakwater on Lake Michigan.

Depots, Buildings, &c.—At Milford Junction, a passenger depot 16 by 34 feet, and a platform 6 by 184 feet, have been built. At Miller's, a passenger depot, 16 by 30 feet, and a platform, 6 by 144 feet, have been built. At Kingston, a car repair shop, 40 by 200 feet, has been erected.

Stock yards have been provided at Tiffin, Fostoria, Garrett, Bremen and La Paz.

Partitions have been placed in the coal pockets at Chicago Junction, Deshler, Garrett, Walkerton and Kingston, and trestles for 150 additional pockets erected at Chicago Junction. The economy of these pockets for coaling engines is shown in the rate per ton (5⁸/₁₀ cents) for handling coal.

All depots and buildings have been kept in good repair.

Water Stations.—At Attica, 1,250 feet of 4-inch pipe has been laid to connect the east and west reservoirs. At Garrett, 640 feet of 8-inch pipe has been laid and a penstock erected on the east side of the round house, and 360 feet of 3-inch pipe laid to convey water to the oil house. Seventeen hundred feet of 5-inch pipe has been substituted for 4-inch pipe, connecting the pumps with the lake. All water stations have been kept in good repair, and an abundant supply of water has been furnished.

Telegraph Lines.—The telegraph lines on all divisions have been kept in good working order.

No accidents have occurred to any passenger trains during the year, and not a single passenger has been injured.

The freight trains have generally made their schedule time, and without accident.

Respectfully submitted,

W. C. QUINCY,

General Manager Trans-Ohio Divisions.

DEED,

Dated May 29th, 1877,

FROM

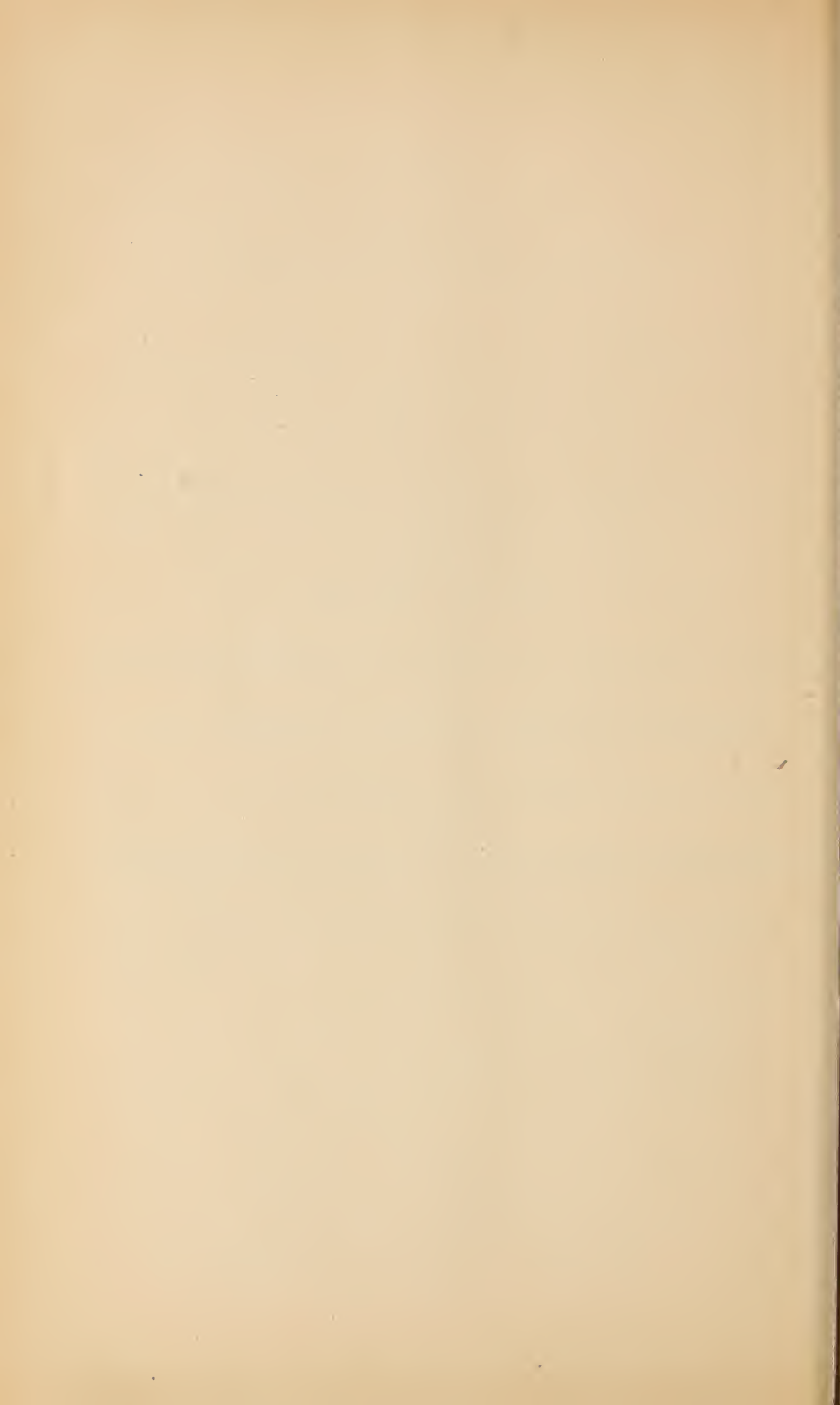
THE BALTIMORE AND OHIO RAILROAD COMPANY

TO

EGISTO P. FABBRI, ROBERT GARRETT AND

WILLIAM F. BURNS,

IN TRUST.



DEED.

THIS DEED, made this twenty-ninth day of May, eighteen hundred and seventy-seven, between The Baltimore and Ohio Railroad Company, party of the first part, and Egisto P. Fabbri, of the City of New York and State of New York, Robert Garrett and William F. Burns, of the City of Baltimore, and State of Maryland, Trustees for the uses and purposes, and upon the terms and conditions hereinafter stated, parties of the second part.

WHEREAS, By the original Act of the Legislature of the State of Maryland, incorporating the said The Baltimore and Ohio Railroad Company, passed at the December session of the year eighteen hundred and twenty-six, being chapter one hundred and twenty-three of the laws of that session, the said Company was vested with all the rights and powers necessary to the construction and repair of a railroad from the City of Baltimore to some suitable point on the Ohio river, with as many sets of tracks as the President and Directors of said Company might deem necessary, and to make and construct all works whatsoever which might be necessary and expedient in order to the proper completion of said road, and likewise to make, or cause to be made, lateral railroads in any direction whatsoever, in connection with the said railroad from the City of Baltimore to the Ohio river; and by the said Act it is provided that the President and Directors of said Company, or a majority of them, shall have power to borrow money for the objects of the said Act, to issue certificates or other evidence of such loans, and to pledge the property of the Company for the payment of the same and its interest.

AND WHEREAS, By another and supplementary Act of the Legislature of said State of Maryland, passed March sixth, eighteen hundred and forty-six, being chapter three hundred and thirteen of the laws of the session of eighteen hundred and forty-five, it is provided that in exercising the above in part recited authority to borrow money, the said President and Directors, or a majority of them, shall be, and are thereby authorized to make and execute bonds or certificates of indebtedness, under the seal of said Company, for such sum or sums, and payable at such time or times, and to sell and dispose of the same on such terms as to the said President and Directors may seem proper.

AND WHEREAS, In pursuance of authorizations to that effect, duly granted by the States of Maryland and Virginia respectively, the said Company has constructed, and now has in use and operation, a railroad extending from a point within the City of Baltimore to a point within the City of Wheeling, in the now State of West Virginia, and authorized lateral or branch Roads, in connection with said railroad, with the appurtenances and equipment thereof.

AND WHEREAS, The Baltimore and Ohio Railroad Company is the owner of, and now has in its possession, all the negotiable first mortgage bonds—hereinafter more particularly described—of the Baltimore and Ohio and Chicago Railroad Company—a consolidated corporation of the States of Ohio and Indiana—amounting in the aggregate to one million five hundred and sixty thousand pounds sterling, and also all the first mortgage bonds of the Baltimore and Ohio and Chicago Railroad Company—hereinafter more particularly described—a corporation of the State of Illinois, amounting in the aggregate to forty thousand pounds sterling, which said first mortgage bonds of said two Companies are secured by first mortgages upon the respective lines of railroad of said two Companies, and all the property, real, personal and mixed, now used, or hereafter to be acquired for use, in connection with said respective lines.

of railroad, which lines united extend from Chicago Junction, Huron County, Ohio, to Baltimore Junction, a point on the Illinois Central Railroad, near Chicago, Cook County, Illinois, and said first mortgage bonds of the Baltimore and Ohio and Chicago Railroad Company, a consolidated corporation of Ohio and Indiana, above mentioned, and the said first mortgage bonds of the Baltimore and Ohio and Chicago Railroad Company, a corporation of the State of Illinois, above mentioned, are now the property of the Baltimore and Ohio Railroad Company.

AND WHEREAS, The Baltimore and Ohio Railroad Company is the owner of, and now has in its possession Twenty-seven Thousand shares of stock, of the par value of Fifty Dollars each, of the said Baltimore and Ohio and Chicago Railroad Company, a consolidated corporation of the States of Ohio and Indiana, and One Thousand Nine Hundred shares of stock, of the par value of Fifty Dollars each, of the said Baltimore and Ohio and Chicago Railroad Company, a corporation of the State of Illinois, all of which shares of stock are now the property of The Baltimore and Ohio Railroad Company.

AND WHEREAS, In order to perfect, improve and complete its said main line of railroad and authorized branches, with the appurtenances and equipment thereof, and to provide the necessary means for the operation and due working of the same, and for the other purposes and objects of its charter and act of incorporation, the said The Baltimore and Ohio Railroad Company has need to borrow or obtain on loan the sum of money proposed to be obtained by the issue, sale and disposition of its bonds for one million six hundred thousand pounds sterling hereinafter mentioned.

AND WHEREAS, The President and Directors of the said Company, at a meeting duly held on the ninth day of May, eighteen hundred and seventy-seven, at the office of the said Company, adopted by a majority of the votes of the said President and Directors, and with the unanimous concurrence of all of them who were present at said meeting, certain resolutions in the words following, viz:

Resolved, That in order to obtain upon loan the amount of money required by this Company to perfect, improve and complete its said main line of railroad and authorized branches, with the appurtenances and equipment thereof, and to provide the necessary means for the operation and working of the same, and for the other purposes and objects of its charter and act of incorporation, this Company do issue its sterling bonds to the amount of one million six hundred thousand pounds sterling money of Great Britain, in sums of two hundred pounds sterling each, bearing interest from the first day of June, eighteen hundred and seventy-seven, payable on the first day of June, nineteen hundred and twenty-seven, at the office of J. S. Morgan & Co., in the City of London, with interest thereon, in the meantime, at the rate of five per cent. per annum, payable semi-annually on the first days of December and June, at said office of J. S. Morgan & Co., upon presentation and surrender of the coupons for such interest which shall be annexed to such bonds; and there shall be and are hereby pledged for the payment of the principal and interest of the said bonds to be issued twenty-seven thousand shares of stock, of the par value of fifty dollars each, of the Baltimore and Ohio and Chicago Railroad Company, a consolidated corporation of the States of Ohio and Indiana, and one thousand nine hundred shares of stock, of the par value of fifty dollars each, of the Baltimore and Ohio and Chicago Railroad Company, a corporation of the State of Illinois, and also all the first mortgage bonds of the said consolidated corporation, amounting in the aggregate to one million five hundred and sixty thousand pounds, and all the first mortgage bonds of the said corporation of the State of Illinois, amounting in the aggregate to forty thousand pounds; all of which stock and said first mortgage bonds are now the property of The Baltimore and Ohio Railroad Company, and said first mortgage bonds are secured by first mortgages upon the respective lines of railroad of said Baltimore and Ohio and Chicago Railroad Company, the consolidated corporation aforesaid, and the Baltimore and Ohio and Chicago Railroad Company, a corporation of Illinois

aforesaid, which lines united extend from Chicago Junction, Huron County, Ohio, to Baltimore Junction, a point on the Illinois Central Railroad, near Chicago, Cook County, Illinois, a distance of two hundred and sixty-three miles, together with all the appurtenances thereto belonging and all the property, real, personal and mixed, now used, or hereafter to be acquired for use by said two last named companies, in connection with their said respective lines of railroad.

Resolved, That in order to provide a Sinking Fund for the redemption of the said bonds of The Baltimore and Ohio Railroad Company, for one million six hundred thousand pounds sterling, there shall be appropriated and furnished by this Company, and by it remitted to J. S. Morgan & Co., at London, annually, so as to be received by said J. S. Morgan & Co., on or before the fifteenth day of May, in each and every year, the annual sum of seven thousand five hundred pounds sterling, commencing on the fifteenth day of May, eighteen hundred and seventy-eight; provided, however, that if at the time of such remittance the whole amount of said bonds shall not have been sold the said Company shall be bound so to remit, at that time only such proportion of the sum aforesaid, as shall correspond with the proportionate amount of the said bonds which shall have been sold; but when any such unsold bonds shall be subsequently sold, such withheld amount thereon shall be made up by this Company by including in its next periodical remittance for the Sinking Fund, such arrears as shall have been withheld upon the amount of such bonds, so subsequently sold; which several principal sums, from time to time remitted to J. S. Morgan & Co., for the Sinking Fund, shall, in the month of June of each year, and the interest, from time to time accruing upon the bonds belonging to said Sinking Fund shall promptly, after the times of the receipts of the said interest in each year, be applied by J. S. Morgan & Co. to purchasing from the holders thereof, at the current market rate, or the lowest prices at which the same can be obtained, (provided always that the same shall not be purchased at a higher rate than par) such amount of the said bonds of this issue as such money shall be adequate for; but if, however, between the *first* and *fifteenth* days of May, in each year, and between the *first* and *fifteenth* days of November, in each year, the price of said bonds is above par, then and in that event the numbers of the bonds of this issue to be obtained in each year for the Sinking Fund shall be determined by drawings by lot, between the *fifteenth* and *twentieth* days of *May* and *November* in each year respectively, by a Notary Public of the City of London to be named by J. S. Morgan & Co. as Trustees of the Sinking Fund; and the number of bonds to be drawn shall be regulated by the amount of money applicable to the Sinking Fund as herein provided, and notice shall be given of the numbers of the bonds which shall be so drawn, by posting on or before the first days of June and December respectively, in each year after the drawing, in the Office of J. S. Morgan & Co., in the City of London, where the coupons of the said bonds are payable, and by a notice published one or more times seven days prior to the first day of June or December respectively, following the date of drawing, in one or more daily newspapers in the City of London; and on presentation and surrender of the bonds thus drawn with all unpaid coupons thereto belonging, at the said office of J. S. Morgan & Co., then the said J. S. Morgan & Co., as Trustees of the Sinking Fund, shall apply the moneys so received by them for the said Sinking Fund to the payment of the principal of the said bonds so drawn, in accordance with the terms thereof, and all future interest on any of the bonds so drawn not presented and surrendered on or before the date of the interest payment next succeeding said drawing shall cease from and after the first days of June and December in each year respectively, following the days of said respective drawings, and all bonds so purchased, or so drawn for said Sinking Fund, shall be immediately so stamped or otherwise marked by the said J. S. Morgan & Co., as to show the same to belong irrevocably to the said Sinking Fund, and to be incapable of being thereafter reissued, sold, or in anywise transferred or negotiated, and shall be forwarded to the Treasurer of The Baltimore and Ohio Railroad Company, in Baltimore, Maryland; but the interest on the amount thereof shall nevertheless continue to be

paid by this Company to J. S. Morgan & Co., as Trustees of the Sinking Fund, to be applied by them as above provided; nor shall the absorption of said bonds so drawn or purchased into the Sinking Fund diminish or impair the obligation of this Company to continue the payment of the full annual sum of seven thousand five hundred pounds above provided for, until all of the said bonds shall have been redeemed and discharged.

Resolved, That the form of the bond and coupon so to be issued shall be as follows:

(Form of Bond.)

LOAN OF 1877.

UNITED STATES OF AMERICA.

THE BALTIMORE AND OHIO RAILROAD COMPANY.

£200.

STATE OF MARYLAND.

No.....

This is to certify, That The Baltimore and Ohio Railroad Company is indebted to the bearer in the sum of two hundred pounds sterling money of Great Britain, which it promises to pay on the first day of June, nineteen hundred and twenty seven, at the office of J. S. Morgan & Co., in the City of London, on the surrender of this bond, with interest thereon in the meantime, from the first day of June, eighteen hundred and seventy-seven, at the rate of five per cent. per annum, payable at the same place, on the first days of December and June in each year, on the presentation and surrender of the annexed coupons therefor; and the said Company also agrees to bear and pay all taxes which may be imposed upon such interest under either State or United States authority. This bond forms part of an issue of bonds to the aggregate amount of one million six hundred thousand pounds sterling, numbered from one onward consecutively, and in conformity with the authority vested in the said Company by its charter and subsequent legislative acts of Maryland, there are hereby pledged for the payment of this bond and interest *pro rata*, with other bonds of the same issue, twenty-seven thousand shares of stock of the par value of fifty dollars each of the Baltimore and Ohio and Chicago Railroad Company, a consolidated corporation of the States of Ohio and Indiana, and one thousand nine hundred shares of stock of the par value of fifty dollars each of the Baltimore and Ohio and Chicago Railroad Company, a corporation of the State of Illinois, and also all the first mortgage bonds of the said consolidated corporation, amounting in the aggregate to one million five hundred and sixty thousand pounds, and all the first mortgage bonds of the said corporation of the State of Illinois, amounting in the aggregate to forty thousand pounds, which said first mortgage bonds are secured by first mortgages upon the respective lines of railroad of said two last named Companies, which lines united extend from Chicago Junction, Huron County, Ohio, to Baltimore Junction, a point on the Illinois Central Railroad, near Chicago, Cook County, Illinois, a distance of two hundred and sixty-three miles, together with all the appurtenances and equipments thereof respectively, and all the property, real, personal and mixed, now used or hereafter to be acquired for use in connection with said respective lines of railroad which said first mortgages have been recorded in the several counties through which the roads aforesaid pass respectively, and which said first mortgage bonds and shares of stock are now the property of The Baltimore and Ohio Railroad Company, and in execution of such pledge the said The Baltimore and Ohio Railroad Company has executed a mortgage or deed of trust for the total amount aforesaid, of one million six hundred thousand pounds sterling to Egisto P. Fabbri, Robert Garrett and Wilham F. Burns, as Trustees, assigning and transferring to said Trustees the shares of stock and the first mortgage bonds aforesaid, and has

delivered to such Trustees the shares of stock and the first mortgage bonds aforesaid, to be held by them as security for the payment of the principal and interest of the bonds of The Baltimore and Ohio Railroad Company of this issue. The said first mortgage bonds of the said Baltimore and Ohio and Chicago Railroad Companies are payable fifty years after date, on the first day of June, nineteen hundred and twenty-seven, at the office of the Treasurer of The Baltimore and Ohio Railroad Company, at the City of Baltimore, Maryland, with interest in the meantime at the rate of six per centum per annum, payable semi-annually on the first days of December and June respectively in each year, at said Treasurer's office, upon presentation and surrender of the coupons attached to such bonds. The payment of the bonds of this issue is further secured by a Sinking Fund created by annual remittances to J. S. Morgan & Co., of seven thousand five hundred pounds sterling, which remittances are to be applied by J. S. Morgan & Co., in June of each year, and the interest accruing from the accumulations of the Sinking Fund, is to be applied by J. S. Morgan & Co., promptly after the receipt thereof, to buying in bonds of this issue, at the market price, if to be had at not exceeding par; and if not to be so had, then the bonds of this issue, which are to be redeemed at par, are to be determined by drawings by lot, in the months of May and November respectively in each year, by a Notary Public in the City of London named by J. S. Morgan & Co., and the principal of each bond, so drawn, will be paid on the first day of June or December respectively following such drawing; and at said dates respectively all further interest, on each of said bonds so drawn, shall cease, and the said bonds shall then belong irrevocably to said Sinking Fund.

IN TESTIMONY WHEREOF, The said The Baltimore and Ohio Railroad Company hath hereunto affixed its corporate seal, and caused the same to be attested by the signature of its President, on the first day June, eighteen hundred and seventy-seven.

President,

COUNTERSIGNED,

(Form of Coupon.)

LOAN OF 1877.

The Baltimore and Ohio Railroad Company will pay to bearer on December (or June) 1st, _____, at the office of J. S. Morgan & Co. in the City of London, five pounds sterling, being half year's interest on bond No. _____ for £200 St'g.

£5 St'g.

Treasurer.

And each of which Bonds of The Baltimore and Ohio Railroad Company shall have endorsed thereon the certificate of the Trustees to the effect that it is one of those secured by the said mortgage or deed of trust, assigning and transferring to said Trustees the said shares of stock and the first mortgage bonds of the Baltimore and Ohio and Chicago Railroad Companies aforesaid.

Resolved, That in order to secure the payment of said bonds of The Baltimore and Ohio Railroad Company for one million six hundred thousand pounds sterling, with the interest thereon, and the fulfillment of the obligations of this Company in relation to the Sinking Fund above mentioned, this Company do execute a mortgage or deed of trust to Egisto P. Fabbri, of the City of New York, and State of New York, Robert Garrett and William F. Burnas, of the City of Baltimore, and State of Maryland, as Trustees, assigning and transferring to said Trustees all the hereinbefore mentioned shares of stock and the said first mortgage bonds of the Baltimore and Ohio and Chicago Railroad Companies, respectively, and that the said shares of stock and the said first mortgage bonds be delivered to said Trustees to be held by said Trustees as security for the bonds of The Baltimore and Ohio Railroad Company of this issue, and that said mortgage or deed of trust shall authorize said Trustees

to collect the principal and interest of said first mortgage bonds, and apply the same to the payment of the principal and interest of the bonds of The Baltimore and Ohio Railroad Company of this issue, and to meet any deficiencies in the said Sinking Fund above mentioned, and shall also authorize the said Trustees to collect all dividends which may be paid on said shares of stock, and apply the same to the payment of the principal and interest of the bonds of the Baltimore and Ohio Railroad Company of this issue, and to meet any deficiencies in the Sinking Fund aforesaid.

The first mortgage bonds hereby authorized to be pledged are all the first mortgage bonds of the Baltimore and Ohio and Chicago Railroad Company, a consolidated corporation of the States of Ohio and Indiana, amounting in the aggregate to ONE MILLION FIVE HUNDRED AND SIXTY THOUSAND POUNDS STERLING, each for the sum of ONE THOUSAND POUNDS STERLING, and numbered consecutively from ONE to ONE THOUSAND FIVE HUNDRED AND SIXTY inclusive, dated the first day of June, one thousand eight hundred and seventy-seven, and payable fifty years after date on the first day of June, one thousand nine hundred and twenty-seven, at the office of the Treasurer of The Baltimore and Ohio Railroad Company, at Baltimore, Maryland, with interest thereon at six per cent. per annum, payable semi-annually at the office of said Treasurer, on the presentation of the coupons attached thereto, and also all the first mortgage bonds of the Baltimore and Ohio and Chicago Railroad Company, a corporation of the State of Illinois, amounting in the aggregate to FORTY THOUSAND POUNDS STERLING, and each for the sum of ONE THOUSAND POUNDS STERLING, and numbered consecutively from ONE to FORTY inclusive, dated the first day of June, one thousand eight hundred and seventy-seven, and payable fifty years after date, on the first day of June, one thousand nine hundred and twenty-seven, at the office of the Treasurer of the Baltimore and Ohio Railroad Company, with interest thereon at six per cent. per annum, payable semi-annually at the office of said Treasurer, on the presentation of the coupons attached thereto.

Resolved, That there be an indorsement upon each of the first mortgage bonds of said Baltimore and Ohio and Chicago Railroad Companies respectively, showing that said first mortgage bonds and the principal and interest thereof are pledged to and held by said Trustees as security for the bonds of The Baltimore and Ohio Railroad Company of this issue, and that said indorsement be signed by the Treasurer of the said The Baltimore and Ohio Railroad Company.

Resolved, That the President cause the several instruments above authorized to be prepared and that he affix thereto the Company's seal, and cause the coupons to be signed by the Treasurer, and that he do or cause to be done such other acts or things as may be appropriate to perfect the said bonds of The Baltimore and Ohio Railroad Company of this issue, and said mortgage or deed of trust, in due form, to carry out the purposes of these resolutions, and to fully assign and transfer to said Trustees the said shares of stock and the first mortgage bonds of the said Baltimore and Ohio and Chicago Railroad Companies, respectively, and the principal and interest of said first mortgage bonds, as security for the prompt payment of the interest and principal of the bonds of The Baltimore and Ohio Railroad Company of this issue, and for the fulfillment of the obligations of The Baltimore and Ohio Railroad Company in reference to the Sinking Fund aforesaid.

Resolved, That the President, with the concurrence of the Finance Committee, or a majority of them, be and he is hereby authorized to sell and dispose of the said bonds of The Baltimore and Ohio Railroad Company for one million six hundred thousand pounds sterling, from time to time, for such prices and on such terms as he shall deem for the interest of the Company, and he is hereby authorized to consign the said bonds or any part thereof, from time to time, to J. S. Morgan & Co. for sale, and make such contract with them in relation to the disposal of the said bonds as he shall deem for the interest of this Company.

NOW THIS DEED WITNESSETH, at the date of these presents, there are owned and held by the said The Baltimore and Ohio Railroad Company, party of the first part, ONE THOUSAND FIVE HUNDRED AND SIXTY FIRST MORTGAGE BONDS OF

the Baltimore and Ohio and Chicago Railroad Company, a consolidated corporation of the States of Ohio and Indiana, each for the sum of ONE THOUSAND POUNDS STERLING, and amounting in the aggregate to ONE MILLION FIVE HUNDRED AND SIXTY THOUSAND POUNDS STERLING, and numbered from ONE to ONE THOUSAND FIVE HUNDRED AND SIXTY inclusive, consecutively, and also FORTY first mortgage bonds of the Baltimore and Ohio and Chicago Railroad Company, a corporation of the State of Illinois, each for the sum of ONE THOUSAND POUNDS STERLING, and numbered from ONE to FORTY inclusive, consecutively, amounting in the aggregate to FORTY THOUSAND POUNDS STERLING. The said first mortgage bonds of each and both of said Baltimore and Ohio and Chicago Railroad Companies are dated on the first day of June, eighteen hundred and seventy-seven, and are payable at the office of the Treasurer of the Baltimore and Ohio Railroad Company, Baltimore, Maryland, on the first day of June, nineteen hundred and twenty-seven, and are secured by first mortgages, duly executed by said Baltimore and Ohio and Chicago Railroad Companies, respectively, upon their respective lines of railroad, which lines united extend from Chicago Junction, Huron county, Ohio, through the States of Ohio, Indiana and Illinois to Baltimore Junction, on the Illinois Central Railroad, near Chicago, Cook county, Illinois, being a distance of two hundred and sixty-three miles, together with the appurtenances and equipment of said lines of railroad respectively, and all the property, real, personal and mixed, now used or hereafter to be acquired for use in connection with said respective lines of railroad, or either of them. Said first mortgages are dated the seventh day of May, eighteen hundred and seventy-seven, and have been duly recorded in the several counties in Ohio, Indiana and Illinois, through which the said roads run, and each and all of said first mortgage bonds of said Baltimore and Ohio and Chicago Railroad Companies, bear six per cent. interest, payable semi-annually on the first day of December, and the first day of June in each and every year, at the office of the Treasurer of the Baltimore and Ohio Railroad Company, Baltimore, Maryland, upon the presentation and surrender of the coupons for such interest annexed to such first mortgage bonds.

AND THIS DEED ALSO WITNESSETH, at the date of these presents, there are also owned and held, by the said The Baltimore and Ohio Railroad Company, party of the first part, twenty-seven thousand shares of stock, of the par value of fifty dollars each, of the said consolidated corporation, and one thousand nine hundred shares of stock, of the par value of fifty dollars each, of the said corporation of the State of Illinois.

NOW THIS DEED FURTHER WITNESSETH, That in pursuance of the above recited resolutions, and to carry out the plan and scheme thereof, and in order to secure the due payment of the principal and interest upon the above mentioned bonds of The Baltimore and Ohio Railroad Company for one million six hundred thousand pounds sterling, being eight thousand such bonds for the sum of two hundred pounds sterling each, numbered from ONE to EIGHT THOUSAND inclusive, which are or are to be executed, under the Company's seal, with the signature of the President, and to have annexed thereto the coupons, and to have endorsed thereon the certificate of the Trustees, as aforesaid, and to secure the due performance of the obligation of the said Company in relation to providing and remitting said annual payments for the Sinking Fund, and in consideration of the premises and of one dollar to said party of the first part in hand paid by the said parties of the second part, at and before the sealing and delivery of these presents—the receipt whereof is hereby acknowledged—the said party of the first part hath assigned, transferred and set over, and by these presents doth assign, transfer and set over to said parties of the second part, and to their successors in said trust forever, all the hereinbefore mentioned twenty-seven thousand shares of stock of the said consolidated corporation, and all the hereinbefore mentioned one thousand nine hundred shares of stock of the said corporation of the State of Illinois, and all and each of the above described first mortgage bonds of the Baltimore and Ohio and Chicago Railroad Company, a consolidated corporation of the States of Ohio and Indiana, and

all and each of the above described first mortgage bonds of the Baltimore and Ohio and Chicago Railroad Company, a corporation of the State of Illinois, to have and to hold the same to the said parties of the second part, and their successors in this trust, BUT UPON TRUST, nevertheless, for the benefit and security of the several persons who shall be or become holders respectively of the above mentioned eight thousand bonds of The Baltimore and Ohio Railroad Company, for two hundred pounds sterling each, numbered from one to eight thousand inclusive, issued or to be issued as aforesaid, to secure to the holders of said bonds of The Baltimore and Ohio Railroad Company, equally, without preference of one over another, by reason of priority of time of issue thereof, or otherwise, the due and punctual payment of the principal of said bonds of The Baltimore and Ohio Railroad Company, and of the interest thereon, according to the tenor and effect of the said bonds of The Baltimore and Ohio Railroad Company, and the coupons attached thereto, and likewise the due establishment and maintenance of the said Sinking Fund by the said annual payment and remittance, by the said The Baltimore and Ohio Railroad Company, of seven thousand five hundred pounds sterling in each and every year, as above mentioned, and the due fulfillment by the said The Baltimore and Ohio Railroad Company of its obligations in respect of said Sinking Fund, in this Deed expressed.

AND IT IS EXPRESSLY DECLARED AND AGREED, and these presents are upon the express condition that if the said party of the first part shall punctually, well and truly pay the principal sums specified in the above mentioned bonds of the party of the first part, to the aggregate amount of one million six hundred thousand pounds sterling, and the interest from time to time accruing thereon, according to the tenor and effect of the said bonds and coupons as aforesaid, and shall also punctually and well and truly make the above mentioned payments and remittances of seven thousand five hundred pounds sterling in each and every year, for the purposes of the Sinking Fund as aforesaid, and shall well and truly observe and perform all its stipulations in relation to the said Sinking Fund, which are contained in this deed, then these presents, and the rights and interests thereby granted shall cease and determine; and thereupon the said Trustees, or their successors in said trust, shall redeliver and transfer to said party of the first part the first mortgage bonds and shares of stock of the said Baltimore and Ohio and Chicago Railroad Companies respectively.

And it is hereby further declared and agreed, that if the said The Baltimore and Ohio Railroad Company shall at any time make default in the due and punctual payment of the interest accruing upon the said bonds of The Baltimore and Ohio Railroad Company, or any of them, or in the due and punctual furnishing and remittance of the sums hereby stipulated to be furnished and remitted by it to or for the said Sinking Fund, and such default on the part of said Company shall continue for ninety days after demand made by the holders of said bonds, or by J. S. Morgan & Co., as representing the Sinking Fund, the whole principal sum secured by the said several bonds, numbered from 1 (one) to 8,000 (eight thousand) consecutively, or such of the same as shall then be outstanding, shall, at the option of the holders of such bonds respectively, become and be due and payable and demandable immediately, together with any arrears of interest thereon, anything in the said bonds or hereinbefore contained to the contrary notwithstanding, and with like full effect as if this provision were inserted in each of said bonds.

And it is further provided and agreed, that any default by the said Company in respect of the interest upon said bonds of The Baltimore and Ohio Railroad Company, or any of them, or in respect of the hereby stipulated payments and remittances to or for the Sinking Fund aforesaid, if such default continues for ninety days after demand made by any holder of such bond in respect of interest, or by J. S. Morgan & Co., as trustees or representatives of the Sinking Fund, in respect of payments or remittances due to said fund, shall be of like effect as a default in the payment of said bonds at maturity, and shall entitle the said parties of the second part, or their successors, to proceed with the enforce-

ment of this mortgage or deed of trust, as if there had been a total default in the payment at maturity of the principal sum secured by said bonds.

And it is hereby provided and agreed, that the parties of the second part and their successors in this trust, shall be and they are hereby authorized and entitled to receive and collect all dividends, which may be paid upon the shares of stock aforesaid, and also the interest upon the first mortgage bonds of the Baltimore and Ohio and Chicago Railroad Companies above described, and to apply such dividends and interest, so collected from time to time, to the payment of the interest upon the bonds of The Baltimore and Ohio Railroad Company of this issue, numbered from one to eight thousand inclusive, consecutively, and to meet any deficiencies in the annual remittances for the Sinking Fund, caused by the default of the party of the first part; but if the party of the first part shall well and truly and punctually pay the interest upon its said bonds numbered from one to eight thousand inclusive, consecutively, according to the tenor and effect of said bonds and the coupons annexed thereto, and shall make the above mentioned payment and remittance of seven thousand five hundred pounds sterling, in each and every year, for the purposes of the Sinking Fund, as aforesaid, and shall well and truly from time to time, observe and perform all its stipulations in regard to the said Sinking Fund, which are contained in this deed, then the said Trustees shall be and they are hereby required to pay over and deliver to said party of the first part the dividends so collected and the coupons for interest annexed to said first mortgage bonds, as they become due respectively, such coupons to be duly cancelled by the party of the first part as they may be delivered from time to time.

And it is further provided and agreed that in case the said Baltimore and Ohio and Chicago Railroad Companies, or either of them, should fail to pay to the said Trustees, or their successors, the interest or principal on the first mortgage bonds aforesaid, according to the tenor and effect of the said first mortgage bonds and the coupons attached thereto, then the said Trustees are hereby invested with all the authority and rights which any holder or owner of the said first mortgage bonds could have to enforce the payment of the interest and principal thereof, according to the terms of the first mortgages executed by the said Baltimore and Ohio and Chicago Railroad Companies respectively to secure said first mortgage bonds, and they are hereby authorized to take all the necessary steps and proceedings provided by the said first mortgages respectively to enforce the payment of the interest and principal of said first mortgage bonds, and from the proceeds arising from the enforcement of such payment of interest and principal aforesaid to first pay the proper costs and charges incurred in and about the premises, as provided in said first mortgages respectively, and also a reasonable compensation to the Trustees named in this deed, and then apply such net proceeds to or towards the payment and discharge equally and without preference, of the principal and interest at such time owing and unpaid upon all and singular of the said bonds of the party of the first part of this issue then remaining outstanding and unpaid, whether the same be then due or to become due, rendering and paying any surplus there may then remain to the party of the first part,

And it is further provided and agreed, that in case of default continued for ninety days after demand made as aforesaid, in the due and punctual payment of the principal or interest upon the said bonds of The Baltimore and Ohio Railroad Company, hereby secured, or any of them, or in the due and punctual furnishing and remittance by said Company of the annual contributions of seven thousand five hundred pounds sterling to the Sinking Fund or the proportion thereof as aforesaid, or in the performance of the stipulations on the part of said party of the first part in respect of said Sinking Fund herein contained, it shall be lawful for the said parties of the second part, or their successors in the said trust, for and on behalf of the holders of the several bonds entitled to the benefit of the security provided by this deed, in addition to their rights and authority as holders of said first mortgage bonds and shares of stock in trust, to sell and dispose of at public or private sale, and thereupon to deliver to the purchaser or purchasers, free from all right, claim or equity of redemption

of said party of the first part, its successors or assigns, all and each of the said shares of stock and the first mortgage bonds of the Baltimore and Ohio and Chicago Railroad Companies respectively hereby pledged, and from the net proceeds realized from such sale or sales, in the first place to retain and pay all proper costs, charges and disbursements incurred in making such sale or sales, including the reasonable compensation of the Trustees, and then apply such net proceeds to or towards the payment and discharge, equally and without preference, of the principal and interest at such time owing or unpaid upon all and singular the bonds of The Baltimore and Ohio Railroad Company of this issue hereby secured and then remaining outstanding, whether the same be then due or yet to become due, rendering and paying any surplus there may then remain, after the full satisfaction of all said bonds of The Baltimore and Ohio Railroad Company and interest thereon, to the said party of the first part, its successors or assigns. And the said party of the first part doth hereby covenant, promise and agree, that in case of any default on its part, as aforesaid, it will not set up, claim, or seek to take advantage of any valuation, stay, appraisement, or extension laws, or other laws which may then exist, in order to prevent or stay the immediate enforcement of this mortgage or deed of trust, or the absolute sale of the first mortgage bonds and shares of stock of the Baltimore and Ohio and Chicago Railroad Companies, respectively hereby pledged, without and free from appraisement, valuation, stay, or other condition or hindrance, but will, and hereby does, waive the benefit of any and all such valuation, stay, appraisement, or other laws to such effect as aforesaid.

And the said party of the first part doth hereby covenant, promise and agree to and with the said parties of the second part and their successors, for and on behalf of all persons who shall be or become holders of any of the above mentioned bonds of The Baltimore and Ohio Railroad Company, entitled to the benefit of the security hereby provided, that it, the said party of the first part, shall and will well and truly observe, perform and fulfill all and singular the provisions and stipulations in respect of the Sinking Fund aforesaid, which are expressed or contained in the above recited resolutions in that behalf passed by the President and Directors of the said Company, on the ninth day of May, eighteen hundred and seventy-seven, as aforesaid, and shall and will punctually in each and every year furnish and remit to J. S. Morgan & Co., at London, so as to be received by them, by or before the fifteenth day of May, the therein stipulated annual sum of seven thousand five hundred pounds sterling, for the purposes of said Sinking Fund, the first of which remittances shall be so made that it shall be received by J. S. Morgan & Co., in London, by or before the fifteenth day of May, eighteen hundred and seventy-eight, subject, however, to the above stated provisions of the resolutions in relation to deferring contributions to the Sinking Fund on account of bonds remaining unsold, and that such contributions and remittances to the Sinking Fund shall, by J. S. Morgan & Co., as Trustees of said Sinking Fund, be held, applied and disposed of as specified in the above recited resolutions in that behalf, and that all things stated in said resolutions in respect thereof shall be applicable thereto as fully as if the same were here specially repeated.

And the party of the first part hereby covenants with the parties of the second part, for and on behalf of the bondholders entitled to the benefit of the security hereby provided, or intended so to be, that it, the said party of the first part, or its successors, shall and will, at any and all times hereafter, upon reasonable request, make, do and execute all such other and further reasonable assurances, acts, deeds and things, as in the opinion of competent counsel shall be necessary or proper to effectuate the security hereby intended to be created for the benefit of such bondholders.

And it is hereby further provided and agreed, that in case of the death, resignation, incapacity or removal of any of the said parties of the second part as Trustees hereunder, or of a vacancy in any way occurring in such trusteeship, such vacancy shall be filled by the appointment of a new Trustee or Trustees by any Court in the State of Maryland, either State or Federal, having jurisdiction in the premises, which appointment may be made upon the application of the

Company giving such previous notice to J. S. Morgan & Co., on behalf of the bondholders, as the Court may direct, or on application of J. S. Morgan & Co., on behalf of the bondholders, giving such previous notice to the Company as the Court may direct; and so from time to time, as vacancies shall occur in the Trusteeship, the same shall be filled in the manner above provided, so as to keep up the number of Trustees to three; and each new Trustee, thus from time to time appointed to fill a vacancy, shall, upon such appointment, without further act, deed or conveyance, become and be vested with and subject to the estate, rights, powers and duties of the former Trustee in whose place he shall be appointed, but nevertheless the surviving or remaining Trustees and the retiring Trustee, or representatives of a deceased Trustee, shall, if required, make, do and execute any acts, deeds or things which shall be requisite or proper fully to vest in and confirm to such substituted Trustee such estate, rights and powers vested in the former Trustee, whom he shall succeed. And provided further, and it is hereby provided and declared that, notwithstanding the above provision, that the number of Trustees shall be kept up to three, when the said number shall be reduced below three, the surviving or remaining Trustee or Trustees shall be vested with the estate, and may execute and perform the duties thereof as fully as three could do, until the vacancy shall be filled in the manner aforesaid.

And the said parties of the second part hereby accept the said trusts, and covenant faithfully to execute the same. And this deed further witnesseth that W. H. Ijams is hereby appointed the attorney of the said The Baltimore and Ohio Railroad Company to acknowledge these presents as its act and deed.

IN TESTIMONY WHEREOF, The said party of the first part hath hereunto, and to four other originals, affixed its corporate seal, and caused the same to be attested by the signature of its President; and the said parties of the second part have hereunto, and to four other originals, set their hands and seals—all on the day and year first above written.

Witness to the signatures of
John W. Garrett, President,
and Robert Garrett
and William F. Burns,
Trustees:
ANDREW ANDERSON.

Witness to the signature of
Egisto P. Fabbri, Trustee:
ALEXANDER HARRIS.



The Baltimore and Ohio Railroad
Company, by JOHN W. GARRETT,
President.

EGISTO P. FABBRI, [Seal.]

ROBERT GARRETT, [Seal.]

WILLIAM F. BURNS, [Seal.]

Trustees named in the within instrument.

STATE OF MARYLAND, }
Baltimore City, } *Set:*

Be it remembered, that on this 29th day of May, in the year eighteen hundred and seventy-seven, before the subscriber, a Justice of the Peace of said State, in and for the said City, personally appeared W. H. Ijams, the Attorney named in the foregoing instrument of writing, and acknowledged the same to be the act and deed of The Baltimore and Ohio Railroad Company; and at the same time

before me also personally appeared Wm. F. Burns, of the City of Baltimore, one of the Mortgagees and Trustees in the said instrument named, and made oath in due form of law that the consideration of the said Mortgage and Deed of Trust is true and *bona fide* as within expressed.

WM. BONE, J. P.

STATE OF MARYLAND, }
Baltimore City, } *Sct.:*

I HEREBY CERTIFY that Wm. Bone, J. P., Esquire, before whom the annexed acknowledgment and oath were made, and who has thereto subscribed his name, was, at the time of so doing, a Justice of the Peace of the State of Maryland, in and for the City of Baltimore, duly commissioned and sworn.

In witness whereof, I hereunto set my hand and affix the seal of the Superior Court of Baltimore City, this 31st day of May, A. D. 1877.

GEORGE ROBINSON, *Clerk.*

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